



Daily Report

Latin America

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Monday
25 November 1991

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CONTENTS

25 November 1991

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Haiti's Aristide, Opponents Arrive for Talks [Santa Fe de Bogota TV]	1
'Crucial' Negotiations Begin [Santa Fe de Bogota Radio]	1
Aristide Comments on Talks [Santa Fe de Bogota TV]	1
OAS Admits Failure of Talks [Madrid EFE]	2
Negotiations Break Down [AFP]	2
Castro Not To Attend Rio Group Summit [Madrid EFE]	2
Uruguay Proposes Mercosur Summit in Brasilia [Montevideo Radio]	2
Southern Cone Ministers Sign Declaration [Madrid EFE]	3

CARIBBEAN

Cuba

Increased Danger of U.S. Military Action Noted [Havana Radio]	4
No Agreements Reached on Soviet Troop Withdrawal [Madrid EFE]	4
Relations Between USSR, Havana 'Inevitable' [Mexico City NOTIMEX]	4
Restrictions on Russian Oil Exports Reported [Havana TV]	5
U.S. Blockade Policy 'Unchanged,' 'Outdated' [Havana Radio]	5
Colombian Guerrillas Brief Castro on Peace Talks [Havana TV]	6
Quadrupartite Meeting Declaration Signed [Havana Radio]	6
South African Delegation Departs Island [Havana TV]	7
Reportage on Haitian Refugees, Victims [Havana Radio]	7
Bodies Recovered in Shipwreck [Mexico City NOTIMEX]	7
Numbers Reaching Coasts [Mexico City NOTIMEX]	7
U.S. Repatriation Criticized [Havana Radio]	8
Financial Relations With Colombia Formalized [Havana Radio]	8
Bank President Meets With Colombian Minister [Havana TV]	9
Customs Agreement Signed With United Kingdom [Havana Radio]	9
Preparations for Winter Planting Evaluated [Havana Radio]	9
Castro Expresses Interest in Winter Crops [Havana Radio]	9
Addresses SNTA Congress Closing [Havana Radio]	9
Stresses Importance of Food Program [Havana TV]	10
Presides Over Final Session [Havana Radio]	10
Commentary on Government's New Food Program [Havana Radio]	10
Food Production Problems, Solutions Analyzed [Havana TV]	11
Workers Given Weapons for 'Fight Against Crime' [Havana TV]	11
Minint Joins Police To Fight Crime in Havana [Havana TV]	12
Defendants Sentenced for Hoarding, Profiteering [Madrid EFE]	12
Commission Reports Attack on 'Dissident' [Mexico City NOTIMEX]	12
Pan-Am Games Housing Turned Over to Residents [Havana TV]	12
* Text of Resolution on Wages, Work Reduction [GRANMA 1 Nov]	12

Haiti

U.S. Allegedly Upholds Refugee Repatriation [Port-au-Prince Radio]	13
Deputy Threatens Another With Gun in Chamber [Port-au-Prince Radio]	14
Assembly Notes 'Indications' of Embargo Change [Port-au-Prince Radio]	14
French Charge d'Affaires Visits Legislature [Port-au-Prince Radio]	14
Group Occupying Canadian Embassy Denied Asylum [Mexico City NOTIMEX]	15
Troops Surround Embassy [AFP]	15

Senate Delegation To Travel To Cartagena [Port-au-Prince Radio]	15
---	----

Jamaica

Additional 48 Haitians Land on Northeast Shore [CANA]	16
---	----

St. Lucia

Groups Urge Accepting Haitian Refugees [CANA]	16
---	----

CENTRAL AMERICA

El Salvador

Government Suspends Bombings, Artillery Fire [San Salvador Radio]	17
END Criticizes Announcement [Radio Venceremos]	17
FMLN: Decision 'Insufficient' [San Salvador Radio]	17
FMLN Members' Statements Noted [San Salvador Radio]	18
Interview With FMLN Commander Shafik Handal [San Salvador Radio]	19
FMLN Notes 'Obscure Groups' Truce Reaction [Radio Farabundo Marti]	20
Infantry Use Despite FMLN Cease-Fire Noted [San Salvador Radio]	20
National Army for Democracy Issues Communique [Radio Venceremos]	21
Cristiani Denies 'Serious Incident' in Gulf [Mexico City NOTIMEX]	21
Peace Commission Charter Drafted in Mexico [Mexico City NOTIMEX]	22
U.S. Congressman Linked to Guerrilla Supporters [EL DIARIO DE HOY 21 Nov]	22
New Round of Talks To Open in Mexico 25 Nov [Mexico City NOTIMEX]	22

Guatemala

Deputies Review Military Court Measure on Trial [Guatemala City TV]	23
Attorney General Requests Escobar's Extradition [SIGLO VEINTIUNO 22 Nov]	23
Presidency Secretary General on Terrorism [PRENSA LIBRE 21 Nov]	24
Guerrilla Ambush Kills Five Soldiers in Quiche [PRENSA LIBRE 22 Nov]	24

Honduras

Health Certificates Demanded for Haitian Refugees [Mexico City NOTIMEX]	24
Zapata Acknowledges Naval 'Incident' in Gulf [Mexico City NOTIMEX]	25

Nicaragua

Daily Reports UNO-Government Agreements [BARRICADA 21 Nov]	25
Government Minister Comments on Budget Allotment [Managua TV]	26
Army Deputy Chief Views Budget [Managua TV]	26
Further on Budget Announcement [Managua Radio]	26
Board Condemns 'Sandinist Reactionary Mobs' [Managua Radio]	27
Recontras, Recompas Clash; Casualties Reported [BARRICADA 19 Nov]	27
Ortega Denies Carlos Lehder Statements at Trial [Mexico City NOTIMEX]	28
Ortega Sends Solidarity Message to Libya [BARRICADA 22 Nov]	28
Attempts To Destroy Radio Sandino Reported [Managua Radio]	28
Editorial on Mandatory School Fee Decision [BARRICADA 20 Nov]	29
Deputy Presidency Minister Ibarra Hospitalized [Managua Radio]	29

Panama

Meeting Held To Study Seized Noriega Documents [LA PRENSA 22 Nov]	29
Vice President Calderon Criticizes Government [CRITICA LIBRE 22 Nov]	30
Cabinet Orders Government To Settle Accounts [EL PANAMA AMERICA 19 Nov]	30
Cruz Alleges 'White Collar' Criminals Campaign [Panama City TV]	30
Foreign Minister on U.S. Military Exercises [CRITICA LIBRE 24 Nov]	31
Authorities Search Border Area for Arms Cache [AFP]	31

SOUTH AMERICA

Argentina

Menem on Reelection: 'Six Years Is Enough' [NOTICIAS ARGENTINAS]	32
Government Issues Southern Seas Exploitation Law [Buenos Aires Radio]	32
Di Tella Comments [TELAM]	32

Bolivia

Government Strategy Against Coca Growers Denied [EL DIARIO 19 Nov]	33
Eradication Plan To Continue [La Paz Radio]	34
Growers Unable To Repay Loans [PRESENCIA 18 Nov]	34
DEA Agents Charged With Drug-Trafficking Scheme [PRESENCIA 17 Nov]	34
Defense Ministry To Ask For Increased Budget [La Paz TV]	35
Commercial Bank Savings Increase 50 Percent [La Paz TV]	35

Brazil

Collor Says Economic Growth To Resume in 1993 [Brasilia Radio]	35
* IPEA Releases Projections on Economy [GAZETA MERCANTIL 29 Oct]	35
Opposition Seeks Support To Override Collor [Brasilia Radio]	36
Latin American Integration Department Created [Brasilia Radio]	37
* Industrial Activity Up 1.3 Percent in Jul [GAZETA MERCANTIL 30 Oct]	37
* Government Intends To Only Complete Angra II [GAZETA MERCANTIL 29 Oct]	38
* Furnas Unable To Maintain Angra II, III [GAZETA MERCANTIL 29 Oct]	39
* Angra II Funding Inadequate To Meet Timetable [GAZETA MERCANTIL 29 Oct]	39
* Plan to Control Amazon Air Traffic Viewed [GAZETA MERCANTIL 30 Oct]	40
TCU Says Army Ministry Bid 'Illegal' [Brasilia Radio]	41

Chile

Aylwin Questions Military Retirement System [Santiago Radio]	41
Government Maintains Position on Honecker [Santiago Radio]	41
Study Ordered in Wake of U.S. Tourist Alert [Santiago Radio]	41
'Most Advanced' Agreement Signed With EEC [Santiago Radio]	42
Socialist Group Disagrees With Party Leadership [Santiago Radio]	42
PDC Party Elects Eduardo Frei President [Santiago TV]	42

Colombia

Government Says Guerrillas To Increase Activity [Santa Fe de Bogota TV]	43
Presidential Adviser Comments [Santa Fe de Bogota TV]	43
Banking Member Says Economy Being 'Narcotized' [Santa Fe de Bogota TV]	43
Former President Denies Aiding Medellin Cartel [Santa Fe de Bogota TV]	44
Army Official Says FARC's Days 'Numbered' [Santa Fe de Bogota Radio]	44

Ecuador

Borja Asks U.S. Ambassador 'To Stop Meddling' [Mexico City NOTIMEX]	44
---	----

Paraguay

Czechoslovak Mission Arrives To Discuss Trade [ABC COLOR 21 Nov]	44
Commission To Be Established [HOY 22 Nov]	45
World Bank Aid Totaling \$190 Million Confirmed [ABC COLOR 21 Nov]	45
Military Court To Judge Ousted Commander's Case [NOTICIAS 22 Nov]	46

Peru

U.S. Antidrug-Trafficking Aid 'Insufficient' [LA REPUBLICA 15 Nov]	46
--	----

Region To Remain Under State of Emergency [Madrid EFE]	46
'Political War' Places Government in Check [Madrid EFE]	47
Economy Minister Outlines Reorganization Process [EXPRESO 17 Nov]	47
Ashaninkas Indians To Fight Shining Path [LA REPUBLICA 13 Nov]	48
Executive Branch Approves 25 Legislative Decrees [EL COMERCIO 13 Nov]	48
On Police Directorate [EL COMERCIO 14 Nov]	49
Penal Code Expanded [LA REPUBLICA 13 Nov]	50
On Military Weapon Possession [LA REPUBLICA 15 Nov]	50
Causes for Dismissing Workers [EL COMERCIO 13 Nov]	50
On Private Investment [EL COMERCIO 14 Nov]	51
Industrial, Duty-Free Zones [EL COMERCIO 14 Nov]	51
Stock Market Regulation [EXPRESO 14 Nov]	52
State Development Banks' Merger [EL COMERCIO 13 Nov]	52
Alternative Development Institute [EL COMERCIO 13 Nov]	53

Uruguay

Central Bank Vice President De Haedo Resigns [Montevideo Radio]	53
Economy Minister on Current State of Economy [Montevideo Radio]	53
MRO Reiterates Call For Armed Struggle [BUSQUEDA 21 Nov]	54

Venezuela

Congress Condemns Student, Riot Police Clashes [Caracas TV]	54
* Cisneros Critical of U.S. Trade Barriers [EL UNIVERSAL 30 Oct]	55
FAV Commander on U.S. Radar Installation [EL NACIONAL 13 Nov]	55
* COPEI Leader Warns of Social Unrest [EL UNIVERSAL 29 Oct]	56
* Canache Mata Declares Presidential Candidacy [EL NACIONAL 26 Oct]	57
* Commission Demands Foreign Aid Report [EL DIARIO DE CARACAS 31 Oct]	58
* AD President Explains Electoral Procedures [EL UNIVERSAL 30 Oct]	59

Haiti's Aristide, Opponents Arrive for Talks

*PA2311042291 Santa Fe de Bogota Inravisión
Television Cadena 2 in Spanish 0000 GMT 23 Nov 91*

[Report by German Dario Hernandez in Cartagena]

[Text] A solution to the political and social crisis in Haiti might be found in Cartagena in a matter of hours. Representatives of the government installed after the coup and ousted President Jean-Bertrand Aristide are scheduled to meet in the city as a result of an OAS initiative.

The search for a negotiated solution to the crisis in Haiti will not be easy. The antagonistic positions of President Jean-Bertrand Aristide and his followers, and members of the Haitian parliament—who arrived in Cartagena today—represent a preview of the talks.

Aristide reasserted his flexible position, meaning that he will allow the opposition's participation in the government and that he will appoint a new prime minister, provided that he returns to the presidency—an issue that, according to him, is not negotiable, because the people demand his return.

[Begin Aristide recording] Before talking about conditions, my heart is open to hear my brothers, and then we will together try to reach an agreement that brings happiness to all those who strive for democracy. [end recording]

The opponents who support General Raoul Cedras consider it too early to think about the ousted president's return.

[Begin recording of unidentified Haitian deputy—in French with simultaneous translation into Spanish] We have a critical situation and the threat of an epidemic, and the countries that provoked the embargo have evacuated their citizens. We believe that this is an unfair situation. [end recording]

According to observers, the pressure exerted in the embargo will determine if an agreement is reached in Cartagena because the situation has become impossible for the Haitian population, one of the poorest in the world.

'Crucial' Negotiations Begin

*PA2311180091 Santa Fe de Bogota Emisoras Caracol
Network in Spanish 1200 GMT 23 Nov 91*

[Text] President Jean-Bertrand Aristide and a delegation from the Haitian National Assembly headed by the presidents of the Senate and House of Representatives will begin crucial negotiations to determine if Aristide will resume his post as president and, if so, under what conditions.

Senate President Dejean Belizaire said that the Haitian situation is very serious and demanded that the OAS lift its embargo as a first step toward solving the crisis. The

young deposed Aristide said that aggression must be set aside in Cartagena and we must begin to listen to each other.

President Aristide denied that he had abused his power, but he humbly accepted the criticism, stating that everyone must act democratically and respect the opposition.

Augusto Ramirez, OAS negotiator and former Colombian foreign minister, was much more optimistic about the outcome of the political meeting. He said that the concerned parties had established the conditions necessary for progress at a formal meeting.

Complex political negotiations await the Haitians in this ocean resort city of Cartagena, Colombia due to the hard-line stance of several Haitian legislators. The legislators must work with deposed President Jean-Bertrand Aristide to find institutional solutions.

Deputy Josue La France angrily said that the return of Aristide would mean the death of a million people. Dejean Belizaire said that the OAS economic blockade against his country is causing death and destruction. The embargo is illegal and must be lifted, Belizaire stressed.

Aristide, who is at the center of the crisis, said in a strong tone, despite his very polite ways, that although no one is indispensable, the embargo must continue until he is returned to the presidency.

Aristide Comments on Talks

*PA2411041391 Santa Fe de Bogota Inravisión
Television Cadena 2 in Spanish 0100 GMT 24 Nov 91*

[Report by Rosario Melendez]

[Text] While approximately five million Haitians anxiously await the results of the dialogue now taking place in Cartagena that will end nearly 12 months of suffering and hunger, negotiators on each side have shown their goodwill to reach a solution that will satisfy the interests of democracy in Haiti.

At the end of the third round of talks, Jean-Bertrand Aristide stated that discussion included how he will return to power and under what conditions.

[Begin recording] [Unidentified reporter] When do you plan to return, Mr. President?

[Aristide] As soon as possible.

[Reporter] Mr. President, has anything definite been discussed with respect to your return?

[Aristide] That is what we are trying to do now. We have not been talking in terms of if I am going to return. We have been talking about how I am going to return so that my return can strengthen democracy. [end recording]

Haitian Senate President Dejean Belizaire insisted on the lifting of the economic embargo imposed against

Haiti. He said that his people, one of the impoverished in Latin America, anxiously await the result of a dialogue that takes into account the global problems of democracy in Haiti. A democracy does not encompass a single man, but covers all institutions.

[Begin recording] [Belizaire in Creole with simultaneous Spanish translation] We were able to point out the difficulties the Haitian people are currently facing. They are dying of hunger and hospitals cannot provide adequate care [end recording]

It is expected that the round of negotiations being held in Cartagena will conclude on 24 November, with the attendance of Colombian President Cesar Gaviria.

OAS Admits Failure of Talks

PA2511012491 Madrid EFE in Spanish 0032 GMT
25 Nov 91

[Text] Cartagena de Indias, Colombia, 24 Nov (EFE)—The talks to solve the Haitian crisis that developed in the wake of the military coup deposing President Jean-Bertrand Aristide broke down on 25 November in Cartagena de Indias.

Former Colombian foreign minister Augusto Ramirez Ospino, head of the OAS mission that promoted the meeting, acknowledged the failure of the negotiations.

Participants in the meeting in this Colombian Caribbean beach resort included Aristide and parliamentarians of his country, who do not recognize him as head of state.

Negotiations Break Down

PA2511013091 Paris AFP in Spanish 0052 GMT
25 Nov 91

[Text] Cartagena, Colombia, 24 Nov (AFP)—Negotiations between deposed Haitian President Jean-Bertrand Aristide and an official committee from Port-au-Prince in an effort to end the Haitian crisis broke down in Cartagena on 24 November.

At the end of three days of discussions, the two sides were unable to agree on even the wording of a joint declaration. Senator Thomas Dupiton, a member of the Port-au-Prince delegation, said the disagreement was caused by Aristide's demand that his name be on the document.

Haitian Senate President Dejean Belizaire, head of the delegation, read a unilateral declaration stating that "the final communique that we wanted to sign would have been a step in the right direction, that is, toward a negotiated solution."

"We leave Cartagena with the satisfaction of having done our duty to the people," Belizaire said.

Aristide planned to issue his own statement after Belizaire's communique was released.

The Port-au-Prince delegation made the achievement of concrete results in the dialogue contingent on the lifting of an embargo against Haiti, while Aristide was intransigent in his requirement that a positive solution include his return to that country.

Castro Not To Attend Rio Group Summit

PY2311013291 Madrid EFE in Spanish 0003 GMT
23 Nov 91

[Text] Brasilia, 22 Nov (EFE)—Marcos Azambuja, secretary general of the Brazilian Foreign Ministry, today stated that Cuban President Fidel Castro will not attend the Rio Group "summit" to be held in the Colombian city of Cartagena de Indias on 2 December.

The Cuban political issue is, however, included in the eight-point agenda that the 13 presidents of the Rio Group will discuss during the fifth "summit" of the Latin American permanent mechanism of political consultation and agreement.

The Colombian Foreign Ministry today also denied rumors circulating in recent days in several Latin American countries and told EFE in Bogota that neither Castro nor U.S. President George Bush will attend the "summit." It did confirm, however, that Mexican President Carlos Salinas de Gortari will attend the meeting.

Azambuja said Salinas de Gortari, Colombian President Cesar Gaviria, and Venezuelan President Carlos Andres Perez will submit a report on the Cozumel talks during the Cartagena summit.

The three presidents, who make up the "Group of Three," met with Castro in October in the Mexican city of Cozumel to discuss the situation and political future of Cuba.

Rumors circulating in recent days have it that Castro could attend the Rio Group presidential summit (Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Venezuela, and Uruguay; plus Costa Rica and Jamaica, which represent Central America and the Caribbean, respectively).

Azambuja noted that the Rio Group supports Cuban participation in Latin American mechanisms as soon as changes that will guarantee political pluralism and representative democracy take place on the Caribbean island.

Uruguay Proposes Mercosur Summit in Brasilia

PY2211141091 Montevideo Radio El Espectador
Network in Spanish 0900 GMT 22 Nov 91

[Text] Uruguay will host the next Mercosur [Common Market of the South] council meeting, with the participation of the four presidents of Mercosur member countries, after the presidential summit in Brasilia on 17 December.

This was confirmed by the Uruguayan Foreign Ministry after the appropriate consultations. The Foreign Ministry proposed that the summit be convened in Brasilia on 17 December after the announcement that Brazilian President Fernando Collor will be unable to attend the summit in Punta del Este on that date.

The Uruguayan Foreign Ministry has carried out diplomatic consultations on the issue and concluded that the four countries support the idea of the need to give the Mercosur integration process, and Brazil, the strongest possible political support.

Southern Cone Ministers Sign Declaration

PY2511002691 Madrid EFE in Spanish 0225 GMT
23 Nov 91

[Text] Piriapolis, 22 Nov (EFE)—The Argentine, Brazilian, Chilean, Paraguayan, and Uruguayan agriculture ministers signed a joint declaration on 22 November reasserting their opposition to the subsidies and protectionist policies adopted by the industrialized countries.

They exhorted "once again, the leaders of the industrialized countries to adopt a constructive position to ensure a prompt and successful culmination of the Uruguay Round of the GATT."

The ministers asserted: "It is indispensable to achieve, within the framework of the Uruguay Round of the GATT, a broad agreement in the negotiation of solutions to agricultural problems." They confirmed "their support of positions repeatedly defended by the Cairns Group (agriculturally efficient countries)."

The declaration was released at the conclusion of the two-day meeting of the Southern Cone Countries Consultant Council for Agricultural Cooperation [Consejo Consultivo de Cooperacion Agricola de los Paises del Area Sur—Conasur], which was held at Piriapolis, 108 km east of Montevideo.

The ministers believe that "the integration process being implemented by the area's countries and the reorganization and gradual opening of their economies are a feasible alternative for sustained development, and favor the consolidation of democracy in the region."

The ministers said the Southern Cone countries' efforts to deregulate their economies are annulled by the protectionist policies adopted in the agricultural area.

They pointed out: "The area's countries must reactivate the activities of the agricultural and livestock sectors and increase their profitability, thus improving the standard of living of rural inhabitants."

In the declaration, the Conasur ministers stated: "The important agreements reached during the 10th Inter-American Conference of Ministers in Madrid in September supported these basic concepts and emphasized the need to deepen the links between the public and private sectors to promote a modernization process that benefits all who work for the agricultural and livestock sectors."

The ministers said: "To achieve regional integration, it is indispensable to harmonize the implementation of macroeconomic policies and agricultural and livestock policies." They added: "The Conasur efforts in this field must be continued and strengthened."

They also said: "Integration in the economic and agricultural and livestock fields will become a reality not only through reduction of foreign trade fees, but also by eliminating all other barriers."

The ministers believe that "to face the new international challenges, it is indispensable to increase competitiveness," and that "competitiveness will result from intense modernization and integration efforts."

In the declaration they emphasize: "Sustained agricultural development is based on a clear definition of strategies for the preservation and development of natural resources."

Cuba

Increased Danger of U.S. Military Action Noted

PA2511155291 Havana Radio Havana Cuba in Spanish
1400 GMT 25 Nov 91

[Text] The danger of confrontation between Cuba and the United States in 1992 is greater than previously existed, Ricardo Alarcon, Cuban ambassador to the United Nations, said in an interview with the Mexican daily LA JORNADA.

For the time being, the idea of economic strangulation prevails, but from our standpoint, this strategy will not bear fruit. As Cuba resists its precarious economic situation, the United States could view military action as the only alternative, Alarcon stated.

In light of recent developments in Eastern Europe, the United States might feel that such an adventure would not entail the risk of a third world war, and that could be the deciding factor.

In his statement to the Mexican daily, Alarcon said that the changes that have taken place in the past few years are not the definitive changes to history. Cuba will continue to resist and defend the validity of its own [word indistinct].

Alarcon emphasized that the changes taking place in Cuba are more profound than those demanded from abroad. Those changes, however, are based on our own strategy and are measures that we believe will strengthen our internal unity, he concluded.

No Agreements Reached on Soviet Troop Withdrawal

PA2211204491 Madrid EFE in Spanish 1841 GMT
22 Nov 91

[Text] Havana, 22 Nov (EFE)—Cuba and the Soviet Union did not reach any agreement on the withdrawal of the Soviet military brigade from the island during negotiations that ended today.

A Soviet Embassy spokesperson told EFE that "we have signed a protocol that expresses the wishes of the two sides."

The negotiations, which began on 15 November, were headed by Soviet Special Ambassador Vyacheslav Ustinov and Cuban Foreign Minister Alcibiades Hidalgo.

"A sincere exchange of opinions has occurred, during which the two sides have reiterated their positions," a spokesperson at the Soviet Embassy in Havana told EFE.

The source pointed out that the Soviet delegation upheld the decision, announced by President Mikhail Gorbachev, which calls for the withdrawal of the 2,800 men of the mechanized brigade known as the "Instruction Center" from Cuba.

The Cuban position, which has been repeatedly expressed by Cuban officials and President Fidel Castro, maintains that Havana will only accept the withdrawal of Soviet troops if U.S. troops simultaneously withdraw from Naval Station Guantanamo Bay (about 6,000 troops).

This is the second meeting between Cuba and the USSR on this issue. The first meeting was held in September between Hidalgo and Soviet Deputy Foreign Minister Valeriy Nikolaenko, which also resulted in no agreements.

During the recent meeting the two sides agreed to "meet again very soon" to continue the talks, according to the embassy source, although no date or place was specified, as well as no names of any delegates.

On 22 November the Soviet delegation returned to its country. No news conference was announced.

The Soviet source said the talks have only addressed the withdrawal of the mechanized brigade and do not affect any other Soviet troops in Cuba, which are: the Lourdes electronic espionage base (located south of Havana) and the Soviet officers who are Cuban Army instructors.

Relations Between USSR, Havana 'Inevitable'

PA2211233691 Mexico City NOTIMEX in Spanish
1952 GMT 22 Nov 91

[Text] Miami, 22 Nov (NOTIMEX)—Russian parliamentarians stated on 22 November that the Russian Government is not willing to support the Cuban regime, but that relations between the two countries are inevitable and will be based on strict economic criteria.

Alexei Surkov, vice president of the Foreign Affairs Committee of the Russian Parliament, told NOTIMEX that this committee will shortly resolve the changes in the "extent, structure, and strategy" of its economic relations with Havana.

He pointed out that "Russia is not willing to aid the Fidel Castro regime, but that relations between the two nations is something inevitable and normal."

Surkov, along with other parliamentarians and intellectuals from Eastern Europe and the United States, is in Miami participating in a conference: "The Transition of Cuba to Democracy." The conference was organized by the anti-Castro Cuban-American Foundation (CANF).

Elena Gorovia, a specialist from the Moscow-based Foreign Affairs Institute, also agreed on the inevitability of relations with Cuba. According to Ms. Gorovia, who is participating as a member of the conference panel, this relationship is unavoidable because the Soviet state has become dependent on Cuba.

She pointed out that Cuba provides 30 percent of the sugar used in the Soviet Union, 40 percent of the citrus products, and 20 percent of the nickel and cobalt.

Conversely, the USSR supplies Cuba with most of its crude oil, although the volume provided has decreased from 12.8 million tons to just 10 million tons because the new bilateral agreement expires on 31 December.

According to Ms. Gorovia, Cuba has so far received 7 million tons and most likely would not be receiving the rest.

She continued: "One of the main economic problems between the USSR and Cuba is related to the high degree of mutual interdependence, but it is unlikely there will be another [economic] agreement. In fact, there is no longer any official organization with which to negotiate such agreement."

In her opinion, economic relations between Cuba and the Soviet Union in the near future will depend on the Cuban Government being able to negotiate bilateral agreements with the Baltic Republics.

The issue of relations between the USSR and Cuba dominated the first day of the meeting. This conference has been described by the principal [Cuban] exile groups as more evidence of the rapprochement between Eastern Europe and the Miami Cuban community.

According to Jorge Man Canosa, president of CANF, "this is a milestone in the history of the Cuban exiles. The meeting has served to strengthen the ties of friendship with Russia and has widened the gap between the Soviet Union and Cuba."

This is the first meeting between political and intellectual representatives from Eastern Europe and Cuban exiles since the changes in the Soviet Union.

Michael Cermak, an official of the Czechoslovakian Foreign Ministry, cautioned the Cuban exiles not to expect to be welcomed with open arms after the possible fall of the Havana Government.

According to Cermak, a former correspondent in Havana for the Czechoslovak news agency CTK, "to the Cubans, the scent of the exiles is more unacceptable now because there is uncertainty and the fear that you are going to devour the island."

He added, that after the possible fall of Castro there must be a transition period during which preparations for free elections must be made.

"This period could possibly take two or three years, because Cuba has been isolated for 30 years."

Cermak suggested that the Cuban people take the Eastern European lesson seriously, and be prepared to offer new projects related to trade, civil [civiles], significant media reconstruction, and drastic economic reform intended to establish a free market system.

Restrictions on Russian Oil Exports Reported

PA2311201991 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 18 Nov 91

[Text] As part of his radical reform program, Russian President Boris Yeltsin has announced several measures to strengthen republican authority on the eve of price liberalization.

According to the Soviet news agency TASS, Yeltsin has placed the sale, storage, exploration, and drilling of precious metals and stones under republican control. He authorized the corresponding republican ministries to prepare and distribute general quotas for petroleum exports and their by-products.

The same decree invalidates licenses for exporting crude oil and sets forth a 10-day renewal term. It also suspends the granting of new licenses until 1 January 1992.

The document states that as of 1 December, restrictions will be imposed on the export of petroleum outside Russian territory. Anyone violating the measure will be fined. The measure seeks to control the internal market and stabilize the economy in the fall and winter months.

U.S. Blockade Policy 'Unchanged,' 'Outdated'

PA2311002691 Havana Radio Havana Cuba in Spanish 1400 GMT 22 Nov 91

[Miguel Cabrera commentary]

[Text] While U.S. President George Bush is demanding speedy changes in Eastern Europe and proclaims these are times of change, Washington's policy toward Cuba has remained unchanged for over 30 years.

As part of his outdated anti-Cuban strategy, the head of the White House does not miss a chance to attack the largest island in the Antilles and to obstruct any action that may economically benefit its people.

On 20 November, during an interview with several television stations from the NBC network, Bush, as he has done on countless occasions, announced the fall of the government of President Fidel Castro because, according to Bush, it cannot be the only Marxist model as the world moves in a different direction.

Knowing that a large number of politicians have predicted dates for the Cuban Government's fall and that the dates went by without anything happening, Bush refrained from announcing a date, to avoid being ridiculed, but made very clear that the White House policy toward Havana will be unchanged.

The unyielding U.S. blockade of the island is the aggression that costs the Cuban people the most. This practice, in which Washington tries to include third countries, has caused the loss of over \$15 billion from our national economy.

Honest people of the United States and even a large segment of the Cuban community living in that country believe the blockade actually adversely affects the people the most because it includes basic products such as medicine.

As a symbol of what the blockade means to Cuba, Fidel Castro has reiterated that Cuba cannot even buy an aspirin in the United States.

Despite the blockade and countless acts of aggression by the White House for over 30 years, the revolution continues firm and determined to overcome the difficult economic situation it faces as a result of the crisis in Eastern Europe and the USSR, with which Cuba conducted nearly 80 percent of its trade.

More than 150 foreign offers to create mixed enterprises in Cuba show that the fatherland of Jose Marti is not alone, as the United States would like. In the near future Cuba will come out of this situation with greater strength and will be capable of developing rapidly.

Colombian Guerrillas Brief Castro on Peace Talks

PA2511021791 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0114 GMT 25 Nov 91

[Text] The Simon Bolivar National Guerrilla Coordinating Board delegation that is holding talks with the Colombian Government in Caracas has made a brief working visit to Cuba, during which its members were received by Cuban President Fidel Castro.

The delegation, made up of eight guerrilla commanders and others, spent a few hours on the island to explain the guerrilla peace plan for the South American nation. The group previously visited Costa Rica and Nicaragua for the same purpose.

Commander Alfonso Cano, of the Revolutionary Armed Forces of Colombia, commented on the purposes of the Havana visit, which just ended.

[Begin Cano recording, in progress] ...first of all, to inform the Cuban people and their leaders about the peace efforts that the insurgents are making in Colombia, basically about the negotiations we are holding in Caracas with the Colombian Government. At the same time, we wanted to see for ourselves Cuba's specific and concrete reality, which has been very distorted. [end recording]

Commander Antonio Garcia, of the Camilista Union Army of National Liberation, voiced his impression of the visit to Cuba, which included tours of various points of interest.

[Begin Garcia recording, in progress] ... to thank the Cuban people for their experiences and their generosity, and for allowing us to become familiar with that experience, and to thank the party and its leaders, especially

Commander Fidel, for allowing us to see it and to be able to assure our people that the revolution is moving on. [end recording]

The delegation was seen off by Manuel Pineiro, member of the Central Committee of the Communist Party of Cuba, and other officials.

Quadripartite Meeting Declaration Signed

FL2211173891 Havana Radio Rebelde Network in Spanish 1255 GMT 22 Nov 91

[“Our Opinion” commentary by Orlando Contreras]

[Text] Following last night's conclusion of the work done by the Joint Commission on South West Africa—composed of Angola, Cuba, South Africa, and Namibia—it seems important to note that in the final declaration signed by the participants they reaffirmed, and I quote: That the principles established in the tripartite agreement—referring to the creation of the commission at the end of 1988—continue to be indispensable to the future of peace and stability in the region.

These principles include respect for the sovereignty, sovereign equality, and independence of the nations, as well as territorial integrity and inviolability of their borders; noninterference in the nations' internal matters; refraining from threats and the use of force against the nations' territorial integrity and independence; accepting the nations' responsibility not to allow their territories to be used for acts of war, aggression, or violence against other nations; the right of the people of southern Africa to self-determination, independence, and equality of rights; and the right of each nation to peace, development, and social progress.

It seems evident that these principles are necessary and valid to create conditions of peace and stability, and to create the possibility for development in any region of the world, especially in underdeveloped countries, which are most threatened by wealthy countries. One of the key elements that allowed the commission to successfully fulfill its delicate mission was that the desire for dialogue and understanding won out. It was not an easy task. First of all, we must remember that South Africa was still waging a colonial guerrilla war in Namibia, which seriously threatened Angola's independence, sovereignty, and survival as a sovereign nation.

In the years prior to the creation of the Tripartite Commission, the United States categorically refused to allow Cuba to participate in any negotiations. In spite of these unyielding positions, a wiser, more open, and more pragmatic view began to win out, based on an understanding that there can be no negotiation without dialogue, nor peace without negotiation. When the commission was created and the agreements signed at the United Nations in New York on 22 December 1988, the Soviet Union and the United States were confirmed in their roles as observers for the fulfillment of the agreements,

and the role of the United Nations was established, specifically the role of the UN secretary general.

I believe that all the parties, including the observers and UN Secretary General Javier Perez de Cuellar, have contributed to clearing the way for peace. Everyone, at various levels of commitment, has honored the agreements. Therefore, what was achieved by the Tripartite Commission—later the Quadripartite Commission, with the complete incorporation of Namibia after its independence—is an example of what can be achieved through dialogue and constructive negotiations.

South African Delegation Departs Island

*FL2311031091 Havana Tele Rebelde and Cuba
Vision Networks in Spanish 0100 GMT 23 Nov 91*

[Text] The South African delegation that attended the last session of the joint commission on southwestern Africa left the country today. The remaining delegations visited sites of interest in Havana. At the National Research Center, Carlos Gutierrez, general director of the center and member of the Communist Party of Cuba Central Committee, gave the delegates a briefing on the research being done at the center and the main results. This was the first center for scientific and technical research built by the revolution. Over 9,000 specialists have been trained since it was opened in 1965. The center's philosophy is that Cuba's future must rest on the development of these fields. The UN special envoy and the observers from the United States and the Union of Sovereign States, name recently adopted by the USSR, were also present during the visit to the research center. The members of the joint commission that met yesterday for the last time at the Palace of Conventions in Havana also visited the botanical gardens and the Hemingway Museum.

Reportage on Haitian Refugees, Victims

*FL2311011691 Havana Radio Rebelde Network
in Spanish 0028 GMT 23 Nov 91*

[Report by correspondent Leonel Perez Moya from Guantanamo]

[Text] To date, 90 Haitian bodies have been fished out of the turbulent waters of Paso de los Vientos in the easternmost point of Cuba where their boat capsized. Rescue crews of the Border Guards and Ministry of Interior, supported by Maisi Point residents, continue to search for approximately 40 people who are still missing. They are doing this despite the dangerous undertow. The remaining 60 survivors are receiving good medical attention and are being fed by the Cuban officials who run the camp located in Maisi Point where thousands of Haitian citizens, whose small boats have capsized off the coast of Cuba, have been helped.

The capsizing of the small sailboat with 195 Haitian citizens on board occurred on 19 November. The Haitians were trying to sail from Haiti presumably to the

United States. However, the boat was not equipped to confront the high waves that are characteristic of Paso de los Vientos. After being identified, the bodies of the Haitians are buried near the Maisi graveyard located in the easternmost point of Cuba near the Maisi Light-house.

Several survivors have told the press and authorities that they sailed from Haiti because of the climate of terror unleashed by the coupist soldiers in their country and because they are desperately seeking a way to survive. No food, no work; police, blows, and bullets, were some of the phrases spoken by the rescued Haitians in their broken Spanish. They were explaining why they had left the country, as have thousands of other Haitians in the past few weeks.

The OAS has described Haiti as the poorest country in Latin America and it is on the list of the 10 poorest nations in the world. A few weeks ago many Haitians, including more than 250 Haitians who were picked up off the coast of Baracoa, were rescued in three different areas of the country.

Bodies Recovered in Shipwreck

*PA2311164791 Mexico City NOTIMEX in Spanish
0908 GMT 23 Nov 91*

[Excerpt] Havana, 23 Nov (NOTIMEX)—The Cuban Interior Ministry reported on 22 November that the bodies of 100 Haitians who were aboard the ship that capsized on 19 November off the coast of Guantanamo Province have been recovered.

The source reported that at least 100 of the 200 Haitians who were aboard the ship drowned. Another 40 people have been reported "missing."

According to the source, the Cuban Interior Ministry and border troops recovered 100 bodies, mostly decomposed, from the sea.

Captain Toribio Ramirez, chief of the military committee of the General Staff of Maisi Province, dismissed the possibility of finding survivors.

The victims' bodies were placed in plastic bags and buried near Maisi Point Cemetery after they were identified by shipwreck survivors. [passage omitted]

Numbers Reaching Coasts

*PA2511151991 Mexico City NOTIMEX in Spanish
2248 GMT 24 Nov 91*

[Text] Havana, 24 Nov (NOTIMEX)—According to the press, at least 1,000 Haitians have reached Cuban coasts, fleeing from violence and poverty in that nation after the coup that ousted Jean-Bertrand Aristide.

A National Information Agency (AIN) dispatch indicates that during the past few weeks, several boats loaded with Haitians have reached the coasts of the Cuban Provinces of Camaguey, Holguin, and Guantanamo.

Olvis Azahares, first lieutenant of the General Staff of the Maisi Municipality in the eastern Guantanamo Province, noted that on 23 November a boat with 180 Haitians departed for Miami, after they received medical attention, food, clothing, and shoes in a camp in Maisi.

Azahares said that there are now 581 men, 119 women, and 12 children from Haiti on the Guantanamo coast, among them 60 survivors of the 19 November shipwreck.

Coast Guard and Interior Ministry personnel have recovered 123 bodies of the Haitians traveling on the boat that capsized in the region known as "Paso de los Vientos, located between the Cuban and Haitian coasts.

AIN added that poverty and repression are increasing in Haiti, forcing thousands to leave the nation. "Many of these people have shipwrecks and receive help on the Cuban coasts," AIN stressed.

U.S. Repatriation Criticized

PA2411230991 Havana Radio Havana Cuba in Spanish
0100 GMT 21 Nov 91

["Our America" commentary by Manolo Ortega]

[Text] Again there is despair. Again the lack of hope and of a good future forces the Haitian people to the ocean. Just like when the small country was punished by the cruelty and uncertainty of the Duvalier dictatorship, citizens of all ages took to the sea in unsafe boats to seek opportunities beyond the land in which they were born.

The hopes and determination of many to contribute to building a new Haiti prevailed in the eight months of Jean-Bertrand Aristide's government. But the dream was broken and in view of the frightening possibility that history is repeating itself, the people have begun to leave, no matter how.

To leave one's country is a terrible decision, especially if it is accompanied by doubts of what may occur in the future. The Haitians, who are again boarding fragile boats, are setting their course for where propaganda has always claimed to be a land of opportunity, the United States.

The U.S. coast, however, is so near yet so far because many Haitians die in the crossing and many others are not allowed to enter the United States and are turned back by force.

We want to refer to the incident involving nearly 2,000 Haitians, who were intercepted by the U.S. Coast Guard and forced to return to the country they fled for different reasons just because Washington claims it does not have a safer option for them.

Hypocrisy and a double standard is again the real face of the U.S. Government because it seems to forget that in the last three decades the White House has encouraged

by all means possible the illegal flight of Cuban citizens as a means of discrediting the island's government.

The Haitians, who now want to reach the land they believe is safer, are being violently turned away and the U.S. Government does not care if they are murdered when they return to their country, again ruled by a military dictatorship that is trying to return the nation to its darkest period.

International protests have begun. Countries such as Venezuela, Trinidad and Tobago, Belize, and Honduras have expressed their willingness to receive the refugees until the situation returns to normal in the Caribbean country.

What has captured our attention the most has been the angry reaction of some U.S. congressmen, who have not hesitated in using the worst terms to describe their president's decision. It is an outrage to return innocent people to a country ruled by a violent and illegal military dictatorship.

To return Vietnamese, Russian Jews, Nicaraguans, Cubans, and others to their countries of origin would have been unthinkable. How can we justify what we did with the Haitians? These were the words of Connie Mack, Republican senator from Florida, who always supports decisions taken by President George Bush.

Until now, nearly 500 Haitians have been returned to their country but, according to the latest information, Donald Graham, a Miami federal judge, ordered the repatriations temporarily suspended.

While steps are being taken to resolve the problem, the Haitians who did not return will have to wait in crowded U.S. Coast Guard boats, which is certainly not what they had in mind.

Financial Relations With Colombia Formalized

FL2211231991 Havana Radio Reloj Network
in Spanish 2133 GMT 22 Nov 91

[Text] Today, Colombian President Cesar Gaviria presided over the ceremony during which the document that formalizes the financial and commercial relations between Colombia and Cuba was signed. The ceremony was held at Narino Palace in Santa Fe de Bogota. The document was signed by Hector Rodriguez Llopart, minister president of the National Bank of Cuba; and Francisco Ortega, general manager of the Bank of Colombia. Rodriguez and Ortega agreed that this document will facilitate trade based on an increase in Cuban exports. This income will be used to purchase Colombian products and meet financial obligations with that country. Among the Cuban goods that are being purchased by Colombian enterprises and President Gaviria's government are biotechnology and medical equipment, pharmaceuticals, and others.

Bank President Meets With Colombian Minister

*FL2211141191 Havana Tele Rebelde Network
in Spanish 1200 GMT 22 Nov 91*

[Text] Noemi Zanin, recently designated Colombian foreign minister, met yesterday with Hector Rodriguez Llompert, minister president of the National Bank of Cuba, who is paying a working visit to Colombia. The possibility of developing relations between the two countries, and the willingness demonstrated by both governments to strengthen economic, cultural, scientific, and technological ties were discussed during the meeting.

Customs Agreement Signed With United Kingdom

*PA2411210391 Havana Radio Havana Cuba in Spanish
1400 GMT 23 Nov 91*

[Text] The Governments of Cuba and the United Kingdom have signed in Havana a document that covers various agreements on training, technical assistance, and the exchange of information and experiences. The agreement was signed by (Orlando Brello), Cuba's director of general customs, and (Douglas Twedel), of the Cooperative Council of British Customs.

Preparations for Winter Planting Evaluated

*FL2211165491 Havana Radio Reloj Network
in Spanish 1505 GMT 22 Nov 91*

[Text] Preparations for the winter planting season have been better this year than last year, according to the numerous speeches made by delegates to the Fifth Congress of Agricultural and Forestry Workers, which is being held in Havana. Representatives of vegetable crop enterprises in Havana, Camaguey, and Sancti Spiritus Provinces, among others, have related how the schedules for each crop have been met through the establishment of a spirit of dedication to work.

However, this has not been so in all cases, and according to views presented at the Fifth Congress of Agricultural and Forestry Workers, if the technological programs are not carried out to the letter, and the agricultural workers' experiences are not taken into account, the winter season cannot be a success. Progress in the use of animal traction to replace motorized equipment could also be confirmed at the congress.

Castro Expresses Interest in Winter Crops

*FL2211235491 Havana Radio Reloj Network
in Spanish 2302 GMT 22 Nov 91*

[Text] During the final work session of the Fifth National Agricultural, Livestock, and Forestry Workers Union [SNTA] Congress, Commander in Chief Fidel Castro expressed interest in learning how the winter planting is going in Havana. Havana Province delegate Oscar Basulto explained to Castro that between September—the beginning of the planting season—and February more than 2,300 caballerias must be planted, especially in November and December which are the

best months. Basulto said that the planting of potatoes is underway and only the municipalities of Artemisa and Melena del Sur are behind schedule. These two municipalities will begin planting potatoes shortly. The strategy consists in not concentrating the task to a specific area, but rather working all the land that has been prepared. Castro was also told that there are 25 caballerias in Havana planted with plantains using microjet irrigation and that the planting of other crops such as citrus is going well.

The final resolution included in the central document of the Fifth SNTA Congress was approved during the afternoon session. The final resolution was unanimously approved following lengthy debates on the issues which are included in that document. The document gathers the issues discussed during the assemblies that, in preparation for the congress, were held throughout the country.

Julian Rizo Alvarez, member of the Communist Party of Cuba Politburo, made an impromptu statement during the session. He called on farmers to become efficient producers. Rizo said that the new agricultural strategy calls for hard work and believes that success will be achieved when all workers become aware of this need.

Addresses SNTA Congress Closing

*FL2311000891 Havana Radio Reloj Network
in Spanish 2332 GMT 22 Nov 91*

[Text] No news can be better, in these so difficult and complex times, as the news we heard here and which reflects the great spirit of the agricultural workers as expressed by their delegates. This statement was made by the leader of the revolution, Fidel Castro, during his speech at the closing session of the Fifth National Agricultural, Livestock, and Forestry Workers Union [SNTA] Congress, held the past two days in Havana. Castro emphasized the important role played by the union movement and added that the success of the food program is, to a great extent, in the hands of the workers of that sector. Castro stressed that, in these times and because of the economic situation, the proportion of proteins of animal and vegetable origin could vary. The commander in chief said that proteins of a vegetable origin are of enormous value for the people and do not need much processing.

During the closing session of the Fifth SNTA Congress, Castro said that we must begin thinking about next year's situation and how to guarantee food for the people. We can and must confront the special period without decreasing the levels of calories and proteins that the people consume and if the food program is successful we can think of increasing these levels. However, he added, the foreign exchange we have must be invested in the best possible manner. The first secretary of the Communist Party of Cuba talked about the important role Cuba is playing in these times, and the challenge that the crumbling of the socialist bloc represents. Castro said that the Cuban people belong to the

stock of men who do not surrender. He added that we are of the stock of men who fight, struggle, and do not get discouraged despite the situation.

Stresses Importance of Food Program

FL2311024491 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 23 Nov 91

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba Central Committee, talked tonight during the closing session of the Fifth National Agricultural, Livestock, Forestry Workers Union Congress.

[Begin Castro recording] We must say that the food matter is number one for us. It is the top priority on our whole program. We could compare it, put it at the same level, as the medicine program. Medicine is necessary for the use of the people and it is also an export possibility for our country in light of the new products we are creating. We are increasing the production of those products that are already known. We have important economic programs. I would say that the biotechnology and pharmaceutical industry programs are of great importance. It is difficult to say that they are number two on the list of priorities; however, I must say that ahead of all this we place the food program, or better said, food matters, not only the program.

We have the tourism program to obtain foreign exchange. Those are the three most important programs. The tourism program is very important because it is going to give us the resources we do not have today. It will allow us to exploit natural resources. It would be great to have large beds of underground oil. But, there is sun, water, light, and excellent conditions for tourists to rest, then we have no other alternative but to develop this field and we are doing this at a good rate. But we have our priorities and the food program is ahead of the tourism program. [end recording]

We must remember that the agricultural union is formed by one sixth of the country's work force. It is the largest union and at this moment, it has an enormous production responsibility. The union's new national committee is comprised of 73 members and Salvador Valdez was reelected secretary general of the organization.

Presides Over Final Session

FL2211220891 Havana Radio Reloj Network in Spanish 2132 GMT 22 Nov 91

[Text] Commander in Chief Fidel Castro is presiding over this afternoon's session of the Fifth National Agricultural, Livestock, and Forestry Workers Union [SNTA] Congress. It is believed that this will be the last work session of the fifth congress. Speaking on behalf of the SNTA National Committee plenum, Francisco Duran announced that Salvador Valdes Meza had been elected secretary general of the SNTA. Valdes Meza was president of the commission that organized the congress.

The professional and nonprofessional members of the SNTA Executive Secretariat were also elected.

The closing session of the Fifth SNTA Congress, which is being held at the Cuban Workers Federation's Lazaro Pena Theater in Havana, is scheduled for this afternoon. Prior to the closing session, the delegates will approve the final report on issues broached during the congress.

Commentary on Government's New Food Program

PA2511005291 Havana Radio Havana Cuba in Spanish 0026 GMT 24 Nov 91

[Commentary by Amalia Sanmartin]

[Text] The debates of the Cuban Agricultural, Livestock, and Forest Workers Congress held recently were aimed at highlighting the efforts of this important economic sector in the local food program, a key factor for raising the Cuban people's standard of living. From the productivity of various agricultural and livestock centers, to the schooling level of workers, the debates focused on the interest in conducting this program at a time when the country experiences particular difficulties. Specifically, the food program debates were aimed at achieving self-sufficiency in various agricultural and livestock fields.

The recently-held Communist Party of Cuba congress discussed a strategy for increased efforts in producing milk, pork, tubers, vegetables, poultry, fish, and eggs. Naturally, the difficulties include a lack of fertilizers and seeds. Thus, there is a need for the large-scale introduction of scientific and technological advances in agriculture and a broad investment plan, both of which are essential for substantially increasing production. This is why two plants in charge of producing seeds through genetic techniques and engineering have begun production. This makes more seeds for high-demand products, such as potatoes and bananas, available.

The current situation makes it mandatory to execute this project with minimum hard currency expenditure. Because of this, the development of a large amount of locally-produced nutrients, such as liquid fodder, liquid yeast, and silica, the so-called mineral of the century, is protected. Irrigated lands are also used for the program's development. To do this, we can dam 12 billion cubic meters of water. In addition, thousands of workers, students, and jobless workers have temporarily joined in doing agricultural chores. The first fruits of this program can already be seen. For instance, bananas are produced with the new irrigation system called microjet, which has a promising future. Suffice it to say that the preliminary yield exceeds by more than 50 percent the production volume that existed before the project was implemented. Cuban consumers have already started to receive the fruits of this food program, designed on a long-term basis, and which the current reality forced us to execute immediately.

Food Production Problems, Solutions Analyzed

FL2311135991 Havana Tele Rebelde Network
in Spanish 1200 GMT 23 Nov 91

["Focus" commentary]

[Text] A priority of government action and the entire society at this time is finding a solution to the food problem. In this regard, as part of the agricultural-food program, the government is making great efforts to ensure, above all, that the necessary protein levels are not lacking. Of course, under the exceptional conditions we are experiencing, it is not an easy task to stabilize the supply of products to make it possible to fulfill the distribution cycles equally for all inhabitants during the 41 nine-day periods of the year.

In sum, what situation is being faced in some of these basic categories of products? The halt in the regular deliveries of animal feed, fertilizers, and many other imports that used to come from other countries has had a very great impact on the feeding of livestock, especially cattle. The country is working very quickly in the face of these difficulties to find Cuban solutions which are promising, even if they cannot bring results overnight. This is the case with liquid animal feed, the use of sugarcane derivatives—sacharina, molasses, and others—the massive introduction of the Voisin intensive grazing system, and biological fertilizers and pesticides, to mention a few of the lines our men of science are working on.

Along with this, there are other complexities it is necessary to explain. Regarding the availability of beef, for example, the customary quotas have been reduced because of the need to domesticate about 200,000 oxen for animal traction, which will ensure the execution of many agricultural tasks, given the lack of fuel. There is also an urgent need to use all cows of reproductive age to ensure the program of dairy complexes which is being carried out. This also prevents a decrease in the size of the herds. To give you an idea, in spite of the efforts to develop this program of dairy complexes, right now the country still needs to spend about \$100 million to buy powdered milk from other countries so that this essential food will not be lacking for children, the ill, and the elderly.

The lack of imported animal feed has caused imbalances in the pig-raising program, after the capacity for breeding and fattening was increased through the construction of integrated pig-raising centers. In this case, as a result of an incorrect application of the technical and food products the country has proposed for this type of production, however, sufficiently high levels of productive efficiency have not been reached.

The lack of traditional animal feed has also harmed poultry production. It is more difficult to find other kinds of food for poultry, and it was necessary to reduce the number slaughtered in order to ensure the very important production of eggs, which exceeds 2.7 billion

per year. Thus, it is essential to buy considerable amounts of frozen chicken on the international market, with all the complications this involves, in order to ensure a regular supply. For another food such as fish, distribution this year totals a large volume—102,000 tons—which is not enough under current conditions. Efforts are being made to increase the catch of fish from the ocean and move towards a greater harvest from fish-farming in reservoirs.

Given these objective difficulties, it is necessary to turn to processing formulas in which vegetable elements, such as soybeans, are incorporated into meat products. These vegetable elements also have a high protein content and offer greater yields. This is done today throughout the world in producing well-known products such as hot dogs, hamburgers, fish sticks, hash, and many others.

In this regard, the government has made decisions which will permit optimal use of the country's available hard currency and bring greater possibilities of supplying basic products to the populace. In this temporary phase of mandatory struggle for survival, it is definitely a question of the need to add to our habits and customs new forms of diet in which the main point is to maintain levels of protein consumption.

Workers Given Weapons for 'Fight Against Crime'

FL2311130591 Havana Tele Rebelde Network
in Spanish 1200 GMT 23 Nov 91

[Text] The first workers' brigades were formed on 22 November at the Nico Lopez Refinery and the Havana Grain Combine, both in Regla Municipality, Havana City Province. The brigades were symbolically presented with M-1 guns. The rest of the guns are already in the hands of the members of these brigades, which have taken all security measures for their storage, regulation, use, and maintenance. Thus, they have begun to fulfill one of the agreements of the Fourth Communist Party of Cuba Congress concerning defense tasks and the fight against crime and other illegal activities that affect the country's economy.

Politburo member Jose Ramon Machado Ventura spoke with the workers at the ceremonies about the importance of these events.

[Begin Machado recording] Here we have to defend ourselves from whoever is here and from whoever may come here to do any kind of misdeed. We are going to really make things hot and you will see how in a short time they will be put in their place. There are criminals in all countries; this cannot be avoided. But we are going to lower the number to a minimum, because here our people are revolutionaries. [end recording]

It is expected that by the end of this year, these brigades will be created in all the centers that are basic to economic development.

Minint Joins Police To Fight Crime in Havana*FL2111145191 Havana Tele Rebelde Network
in Spanish 1200 GMT 21 Nov 91*

[Text] Hundreds of officers of the national organs of the Minint [Ministry of the Interior] have joined the police in Havana City as part of the measures adopted to fight crime and strengthen police work in areas of the city. During a welcoming ceremony at the Revolutionary Armed Forces' Universal Hall, Colonel Orlando Jordan, first deputy to the vice minister of the Minint and chief of Interior Order in Havana City, urged the officers to join with dedication the fight against crime.

Defendants Sentenced for Hoarding, Profiteering*PA2211170491 Madrid EFE in Spanish 2130 GMT
19 Nov 91*

[Text] Havana, 19 Nov (EFE)—During nine swift public trials held in Havana on 16 and 17 November, twelve people were tried, and most of them sentenced, for profiteering and hoarding. The trials were called "exemplary" by the local media.

The defendants ranged in age from 18 and 28 years. They were sentenced to between four months and one year in prison after being charged with buying or selling food, rum, cigars, and soap on the black market.

Havana's El Malecon, a broad avenue along the coast that is used by hundreds of people at all hours of the day and night, has become the site for black market transactions.

The place chosen for the trials was the dining area used by workers who are building the Cohiba Hotel in the downtown Havana area of El Vedado, also located near El Malecon.

Jesus Pastor Garcia, chairman of the People's Council of El Vedado, told GRANMA on 19 November that a proposal had been made to hold the so-called "exemplary trials" block by block "if necessary, to close the doors on all the criminals."

In addition to the sentences, the 12 people had their assets seized and were banned from going to El Malecon for a specific period of time.

About one year ago Cuban authorities started a series of police raids, officially called "Operation Jingle Bell" and popularly known as "Operation Mallet," during which hundreds of people were arrested throughout the island and charged with embezzlement, bribery, and trafficking in hard currency and works of art.

During the Fourth Congress of the Communist Party of Cuba held in October a decision was made to crack down on criminals.

Commission Reports Attack on 'Dissident'*PA2411213691 Mexico City NOTIMEX in Spanish
2123 GMT 23 Nov 91*

[Text] Havana, 23 Nov (NOTIMEX)—The Cuban Human Rights and National Reconciliation Commission reported on 23 November that a crowd of about 200 people threw eggs and stones at the home of Cuban dissident Elizardo Sanchez Santacruz and threatened to attack the house.

According to the organization, some 200 people concentrated outside Sanchez' home "shouting insults" against the dissident's family.

In a letter the commission distributed on 23 November, Maria Eugenia Santacruz Ochoa, Elizardo's mother, said the people who participated in the act of rejection did not live in her neighborhood.

She explained that the police had arrested her sons about three hours before the demonstration.

Her two sons were released at 2200 outside their house and "forced to pass through" members of the crowd, who "physically attacked them."

Pan-Am Games Housing Turned Over to Residents*PA2311211291 Havana Tele Rebelde and Cuba
Vision Networks in Spanish 0100 GMT 17 Nov 91*

[Text] The Pan-American Villa was symbolically turned over to its residents on 17 November. As of 17 November, the Pan-American Villa is another neighborhood of the city of Havana, founded 472 years ago today.

Jorge Lezcano, Communist Party of Cuba Politburo member and party first secretary in the capital city; other political and mass movement leaders; and members of minibrigades and residents of the villa were present at the symbolic delivery of this modern area, where 362 families are currently residing.

The People's Government of the capital also presented this afternoon the weather vane [giraldilla], symbol of our city, to sports commentators Eddy Martin and Hector Rodriguez for their outstanding performance. Pedro Chavez, president of the People's Government of Havana, praised the construction workers who built the villa. He urged them to keep it beautiful, as a new symbol of the Cuban capital.

*** Text of Resolution on Wages, Work Reduction***92CA0024A Havana GRANMA in Spanish 1 Nov 91 p 2*

[Text]

Resolution Number 13/91

Whereas: As a consequence of the conditions imposed on the country by the Special Period, even greater difficulties can be anticipated in supplying the mess halls at workplaces, and as a result their managers must indicate

priorities in providing mess-hall services and analyze, evaluate, and propose the most appropriate and feasible work arrangements and schedules at the workplaces that are affected by the aforementioned difficulties, pursuant to the provisions of this resolution.

Therefore: Pursuant to the powers vested in me,

I hereby resolve that:

First: Bearing in mind the results of the analyses conducted in each province regarding the allocation of supplies to mess halls at workplaces, as well as the potential of consumption-by-producer areas in those workplaces that have them, the institutions of the Central Administration of the State and the provincial organs of the People's Government shall propose to the State Committee for Labor and Social Security, by agreement with the corresponding union organization, the adjustments that they feel must be made in work arrangements and schedules in the institutions or workplaces that come under it, in light of the need to end or reduce mess-hall service.

Second: The following options shall be borne in mind in proposals to modify work arrangements:

- a) Use the split shift at those workplaces that have a single shift; that is to say, work a half day in the morning and a half day in the afternoon;
- b) Alter the start and end of the workday at the workplaces that have more than one shift, so that mess-hall service can be dispensed with;
- c) Identify the workers who can be assured mess-hall service, assigning priority to those who are directly employed in production or services, while the rest of the personnel work continuous seven-hour days;
- d) Establish a seven hour and 20 minute workday, with a snack provided if resources so permit;
- e) Keep the eight-hour workday on certain days of the week, on which mess-hall service would be assured, and work continuous seven-hour shifts on the other days without the service;
- f) Work a given number of days a week straight and recess the remaining days; this would apply to those workplaces that besides having difficulties with food supplies do not have the technical-material supplies they need for production or services.

More than one option as to a work arrangement may be chosen at the same institution or workplace, depending on the available resources, the requirements of production or services, and the requirements of technological, organizational, and labor discipline. In addition, in light of specific situations any other option not inconsistent with the indicated objectives may be chosen.

In any event, the option to be applied shall be discussed among and approved by the workers in advance.

Third: Workers shall be paid 70 percent of their fixed wages for the time by which the normal workday is reduced as a result of whatever work arrangement is approved, including the Saturdays on which work may be suspended. The exception is those who earn up to 100 pesos a month, who shall be paid 100 percent of their fixed wages. The pay for the rest of the workday shall be according to the regular scale agreed upon with the organization.

Equal wage treatment shall be accorded the workers whose normal work week was reduced because work on Saturdays had previously been suspended or the workday modified.

Fourth: For the purposes of preceding paragraph normal work periods shall be regarded as eight hours a day, 44 hours a week, or 190.6 hours a month on the average.

Nonetheless, in the case of activities in which an appropriate authority officially approves a shorter work period than specified in the previous paragraph, owing to given conditions or characteristics, that work period shall be regarded as normal.

Fifth: Each of the institutions of the Central Administration of the State and the local organs of the People's Government shall closely monitor compliance with the work arrangements approved by the State Committee for Labor and Social Security for its subordinate institutions.

Sixth: The work arrangements and schedules adjusted as a result of the conditions imposed by the Special Period shall be temporary, and the normal workday must be reinstituted when conditions so allow.

Seventh: This resolution shall take effect as of its date.

Eighth: To be published in the Official Gazette of the Republic, for general information.

Issued in the City of Havana on 23 October 1991, "Year 33 of the Revolution"

Francisco Linares Calvo Minister Chairman State Committee for Labor and Social Security.

Haiti

U.S. Allegedly Upholds Refugee Repatriation

FL2211180891 Port-au-Prince Tropic FM in French
1400 GMT 22 Nov 91

[Text] Washington says it would be irresponsible not to repatriate the Haitians. The United States stated today that encouraging Haitian boat people to try to reach Florida by failing to repatriate them to Haiti would be an irresponsible act by the U.S. Government.

The U.S. Government decided on 18 November to systematically repatriate Haitian refugees fished out of the sea—as they have been doing since 1981—after

having vainly tried to find enough countries willing to receive them. U.S. State Department Spokeswoman Margaret Tutwiler said it would be totally irresponsible and inhumane of the United States to encourage the boat people to attempt this 1000-km crossing with the hope of being received in the United States. She asserted that according to the Coast Guard, 50 percent of the refugees probably drowned in these attempts. She recalled the dozens of drowned bodies washed up on the coasts of Florida when 15,000 Haitians fled their country in 1981.

The official Cuban information agency announced today that 16 Haitians died and 119 others were reported missing following the wreck of their overcrowded sailboat off the Cuban coast during the night of 20-21 November.

Deputy Threatens Another With Gun in Chamber

FL2211184491 Port-au-Prince Radio Soleil Network in Creole 1300 GMT 22 Nov 91

[Text] Following yesterday's parliament session, Deputy Josue Lafrance pulled a gun on Deputy Saurel Jacinthe. Lafrance threatened to kill Jacinthe because Deputy Jacinthe favors a negotiated solution for Aristide's return to power. After the incident, Jacinthe granted an interview to Radio Soleil during which he stated that his role as a deputy involved expressing his opinion in the Chamber on what is going on in the country. According to Deputy Jacinthe, the incident in the Chamber exemplifies the seriousness of the problem. He pointed out that for 200 years, Haitians have never tolerated other Haitians who did not share their opinions on Haiti's problems.

[Begin Jacinthe recording] It was because my opinion differed from Deputy Lafrance's opinion. He is a hard liner. He does not accept the idea of negotiation, but rather rigidly supports what happened. I hold a different opinion. I support a negotiated solution since the negotiations have already begun.

Yesterday, Deputy Lafrance came and touched me on the back, saying, quote, I will get you, no matter what. Whatever deputy or president of the Chamber goes to Cartagena to discuss a negotiated return, I will kill him, unquote. He pulled his gun and pointed it at me. The deputies and other people who were there held him and tried to calm him down. I believe that as a deputy, it is my job to express my opinion. If my opinion differs from my colleague's, it is very serious for him to point his gun at me. Another deputy, Benoit Laguerre, agreed that my statements were true. If Saurel has accepted money from the French Embassy to discuss a negotiated solution, however, I myself will get him.

I want to take this opportunity to say that if such an incident can occur in the Chamber while we are reproaching Aristide about necklacing, the fact that a deputy can point his gun at another indicates a very serious problem. For 200 years, complete intolerance has

been practiced in Haiti. No one can accept that someone has an opinion contrary to their own.

For 200 years, power has been the law; the law of the jungle. Many of us talk about nationalism. The OAS is an international institution of which Haiti is a part. Even the United States, France, Canada, Venezuela, all the powerful countries, cannot make a decision alone because of the interdependence of nations. There is still no solution for what is taking place in Haiti: no fuel, a dead life, no hope for better conditions. Every logic indicates that a negotiated solution is necessary for the country to start over once and for all. [end recording]

Assembly Notes 'Indications' of Embargo Change

FL2211185891 Port-au-Prince Radio Soleil Network in Creole 1300 GMT 22 Nov 91

[Text] The Senate of the Republic of Haiti has issued a press release announcing that the parliament has received indications that appropriate measures are being considered to soften or totally lift the embargo. Taking into account this new development, the Senate is making a great effort today to attend the meeting in Cartagena.

The Haitian parliament is asking the Haitian population to maintain its faith in the negotiations that must take place in the interest of the Haitian people and the Constitution. The press release was signed by Senate President Dejean Belizaire.

French Charge d'Affaires Visits Legislature

FL2211231891 Port-au-Prince Radio Nationale in Creole 1400 GMT 22 Nov 91

[Interview with Herve Ladsous, French charge d'affaires in Haiti, by correspondent Jean-Marie Ferari at the Legislative Palace on 21 November— italicized passages in French]

[Text] Herve Ladsous, the new French charge d'affaires in Haiti visited the Chamber of Deputies yesterday morning. He met with various people. Our colleague Jean-Marie Ferari, who was on location there, took the opportunity to ask him several questions on his role and the work he will perform in Haiti.

[Begin recording] [Ferari] *Can you tell me the purpose of your visit to the Legislative Chamber today?*

[Ladsous] I have no statement to make. I am assessing Haiti. I am making the acquaintance of certain individuals.

[Ferari] Is this your first visit to Haiti?

[Ladsous] Yes, virtually. I came last June with the delegation that accompanied Mrs. Avice, the minister of planning and external cooperation.

[Ferari] Unfortunately, you have come at a time when there is a crisis situation. But nevertheless, you represent

France. As a diplomat, how do you see today the relations between France and Haiti?

[Ladsous]Listen, I am not the one who represents France. France is represented here by Ambassador Jean-Raphael Dufour who is now in consultation in Paris. But he remains the French ambassador to Port-au-Prince. I am only the charge d'affaires.

[Ferari] Correct, but what is the role of a charge d'affaires?

[Ladsous]The role of a charge d'affaires is to manage affairs. The title explains itself. (?I am managing) all affairs during the quite temporary and provisional absence of the French ambassador. Thank you.

[Ferari] Thank you very much.[end recording]

Group Occupying Canadian Embassy Denied Asylum
PA2311171391 Mexico City NOTIMEX in Spanish 0910 GMT 23 Nov 91

[Text] Port-au-Prince, 23 Nov (NOTIMEX) — The Canadian Embassy in Haiti has reported that a group of 20 Haitians who have occupied the embassy since 20 November were denied political asylum and their food and water supplies were cut off.

Bernard Dussault, Canada's ambassador to Haiti, said that the group claims to support deposed President Jean-Bertrand Aristide. There is some concern that they could be armed.

Food supplies were cut off to force the group to leave the premises. Canadian Foreign Ministry Spokeswoman Nicole Martel said that "it is useless for them to remain here; therefore, we have cut off their supplies."

Some of the occupiers claim to be members of the "Organization for the Liberation of Haiti," a previously unknown group, the source added.

Canadian Embassy officials said that the group, which is incommunicado with the rest of the embassy, has sent a message requesting asylum.

Troops Surround Embassy

PA2411185591 Paris AFP in Spanish 1713 GMT 24 Nov 91

[Text] Port-au-Prince, 24 Nov (AFP)—It has been confirmed here that on the morning of 24 November, policemen and troops in combat gear took up positions near the Canadian Embassy. The embassy's consular offices have been occupied by 19 youths since 20 November.

The troops surrounded the building after the refugees broke through the waiting room door and entered the consulate.

An embassy spokesperson told AFP that "the Canadian position remains unchanged. We are asking the group to withdraw voluntarily without police intervention."

The security measures were adopted to protect neighborhood residents and businesses in the area. According to some reports, the group of refugees has weapons and explosives.

The youths, 17 boys and two girls, denied having weapons or explosives and explained that they were searched upon entering the embassy's waiting room. An embassy spokesperson denied this, saying that the group managed to enter without being searched. Ottawa has denied political asylum to the youths in view of the threats made against Canadian diplomatic personnel and because the refugees belong to a radical Haitian political group headed by militants with links to Cuba and Libya.

The group has also requested political asylum from Venezuela but has not yet received an answer.

The refugees, who claim to be supporters of ousted President Jean-Bertrand Aristide, are demanding among other things the release of Eddy Moise, a well-known radical political activist who the youths say was arrested on 18 November.

Father Aristide made a statement from Cartagena (Colombia) on 23 November on Radio Galaxie, a private Haitian radio station, advising the group to comply with the wishes of the Canadian diplomats.

Senate Delegation To Travel To Cartagena

FL2211201291 Port-au-Prince Radio Nationale in Creole 1400 GMT 22 Nov 91

[News release issued by the Senate of the Republic in Port-au-Prince; date not given]

[Text] Supplementing the 21 November press release, and in compliance with Item Six of the joint statement issued by the OAS and the Haitian Parliamentary Committee, the Senate has announced that a Haitian parliamentary delegation will leave Haiti for Cartagena, Colombia, at 1130 on 22 November. The delegation will continue, under the auspices of the OAS, the negotiations that began in Port-au-Prince on 4 October aimed at finding a solution which will be in accordance with the country's highest interests and as established in the 1987 Constitution. The members of the delegation are: Senator Dejean Belizaire, president of the National Assembly, Deputy Duly Brutus, vice president of the National Assembly, Senator Thomas Eddy Dupiton, and Senator Robert Martinez. Other members of this delegation will be deputies Frederic Cheron, Georges Pierre Simon, Deus Jean-Francois, and Josue Lafrance. The delegation's support staff are: Senate Secretary General Jean-Paret Lariveaux, and Mrs. Maryse Racine. LE NOUVELLISTE journalist Anaise Chavenet will accompany the delegation and cover the negotiations.

[Signed] Senator Julio Larosiliere, quaestor of the Senate Office.

Jamaica

Additional 48 Haitians Land on Northeast Shore

FL2311192291 Bridgetown CANA in English
1831 GMT 23 Nov 91

[Text] Kingston, Jamaica, Nov 23 CANA—Another 48 Haitian refugees landed on Jamaica's northeastern coast late Friday, bringing to 83 the total to have arrived on the island since Wednesday. A spokesman for the official news agency Jampress told CANA that the latest batch would be considered part of the 100 Haitian refugees the Jamaican Government has agreed to provide temporary asylum.

Following the military overthrow of elected Haitian President Jean-Bertrand Aristide on September 30, thousands of Haitians have been fleeing their country in small boats. Most have been trying to reach the United States. They are complaining of severe economic impoverishment and a rule of terror by the Haitian military.

Meanwhile, fears are being expressed here that Jamaica's acceptance of the 83 refugees may trigger a flood of Haitians to these shores. Those arriving Friday landed at Pagee Beach, Port Maria, 60 miles north of the capital, Kingston. They are receiving assistance from the Red Cross, the police, and local residents, and are being housed at the Port Maria Courthouse. They, along with the 35 who arrived last Wednesday who are now in Kingston, will be housed at an Army barracks in Montpelier, St. James, more than 100 miles west of Kingston.

CANA understands that the removal of the refugees to St. James will be delayed for at least another week, as the facilities there are being repaired. The United Nations high commissioner for refugees is bearing the cost for the settlement of the Haitian refugees in Jamaica and other countries.

St. Lucia

Groups Urge Accepting Haitian Refugees

FL2211201891 Bridgetown CANA in English
1751 GMT 22 Nov 91

[Report by Earl Bousquet]

[Text] Castries, St. Lucia, Nov 22, CANA—Three organisations in St. Lucia have publicly expressed support for offering temporary shelter to Haitians fleeing their strife-torn country.

The support came after the U.S. appealed to regional government to take some of the hundreds of refugees fleeing in the aftermath of a military coup d'etat.

Gregor Williams, spokesman for the recently-established St. Lucia Committee on Haiti, said: "St. Lucia opened their arms as a welcome host to refugees from Martinique after the abolition of slavery by the British and again in the period after the Second World War. What's to prevent us from doing what we have done before?"

He said that "for a long time we have been complaining about our people turning away from agriculture and the need for hands for working the land".

The Haitians can come here and be given work as agricultural labourers, he suggested. "These islands with banana estates can consider this as another meaningful way of assisting the fleeing Haitians.

"In this regard," he continued, "St. Lucia will be able to accommodate the Haitians even better because of the common language for communication."

Chairman of the Windward Islands Farmers Association, Darnley Lebourne, has supported the suggestion of using Haitian agricultural labour for the banana industries in the Windward Islands.

Support for the idea of taking in Haitians has also come from the St. Lucia National Youth Council. President Patrick Mathurin urged that "serious consideration be given by government to providing shelter for Haitian refugees."

"We are all about human rights and defense of human dignity," he said, "so if we refuse to accept Haitians refugees then it will reveal that all our talk about solidarity with the Haitian people was not serious. I think we should take some in and help the Haitian cause."

Catholic archbishop of Castries, Kelvin Felix, who has been to Haiti on recent missions on behalf of the Caribbean Council of Churches (CCC), says he feels strongly that the region's governments should open their arms to the Haitians.

He said: "I think the Caribbean countries should really help in whatever way we can because those refugees are in a terrible situation, their plight is atrocious and we have always been saying we are in solidarity with them and now is the time for us to be concrete."

Critics say the Haitians could be a drain on local resources.

Some express fears about the possibility of an influx of voodoo and petty crimes practices with the Haitians.

El Salvador

Government Suspends Bombings, Artillery Fire

PA2211204191 San Salvador Radio Cadena YSU
in Spanish 0112 GMT 22 Nov 91

[Communique issued by the Salvadoran Government in San Salvador on 21 November]

[Text] After observing the developments following the Farabundo Marti National Liberation Front's [FMLN] announcement of a unilateral suspension of armed actions and economic sabotage, the Salvadoran Government hereby announces the following:

1. Although the FMLN continues to harass members of the Armed Forces and carry out armed attacks—a 2-year-old girl was wounded by a high-caliber weapon and a watchman was seriously wounded at a bus terminal—the level of these actions has been significantly reduced on a national level.

2. Although the FMLN has suspended sabotage of electrical and transportation services, it continues to sabotage agricultural activities, particularly the coffee harvest. The FMLN has hindered the normal development of the harvest in some areas and has increased its requests for war taxes, which is nothing more than armed extortion. The FMLN has also stepped up the illegal takeover of land, and it has not allowed the rightful owners to harvest their crops.

3. The Salvadoran Government is willing to take unilateral measures to eliminate violence, seeking a definite end to the armed confrontation. As evidence of its goodwill, the government will suspend aerial bombardments and the use of heavy artillery as of 21 November.

4. The Salvadoran Government demands that the FMLN comply with the unilateral suspension of its offensive actions as the civilian population continues to suffer from extortion, illegal land seizures, threats to impede the harvest, mass destabilizing actions, and the harassment of members of the Armed Forces. These actions provide reason to doubt the goodwill we would like to see from the FMLN.

5. The Republic's Government will continue to observe the activities of the FMLN to determine future actions or unilateral measures. At the same time it emphasizes its firm will to achieve the end of the conflict as soon as possible.

Issued in San Salvador on 21 November 1991 by the Government of the Republic of El Salvador.

END Criticizes Announcement

PA2311225791 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0200 GMT 23 Nov 91

[Communique Issued by the National Army for Democracy, END, Third Military Region "in response to the

announcement by President Alfredo Cristiani on the suspension of all bombings by the Salvadoran Armed Forces" in El Salvador on 22 November]

[Text] 1. As of the truce declared by the High Command on 16 November, the Salvadoran Armed Forces has intensified its offensive operations in northeastern El Salvador. For this purpose, the Armed Forces has been utilizing all its local forces, including the Arce and Bellozo Battalions.

2. Bombings against positions in areas that have been controlled by END since last year have been completely neutralized by our air defense system. This has limited the Air Forces's options to dropping their bombs on areas inhabited only by civilians and where there are no END forces.

3. In the specific case of Morazan, heavy artillery fire originating from the southern bank of the Torola River has been ineffective, since it has not reached our forces. In addition, the Armed Forces has never dared to bring its artillery into our territory for fear of losing it, just as they have lost thousands of rifles in combat.

4. On account of this, we believe Cristiani's announcement on suspending Air Force and artillery bombing operations is an insult to El Salvador's desire for peace. We also believe this is a government concession to those sectors in the Armed Forces who are opposed to the negotiations. These sectors are being given a free hand to continue the war with their private armies, their death squads, or to continue conspiring against the negotiations.

5. We support the demand made by all Salvadorans for the government to respond with positive actions to our peace gesture and to avoid measures that may threaten the negotiating process.

6. We reaffirm our observance of the truce decreed by the Farabundo Marti National Liberation Front General Command. We restate our commitment to honor the agreements made at the negotiating table and to defend the areas under our control in the Third Military Region.

[issued] El Salvador, 22 November 1991.

FMLN: Decision 'Insufficient'

PA2211220591 San Salvador Radio Cadena YSU
in Spanish 0100 GMT 22 Nov 91

[Communique issued by the Farabundo Marti National Liberation Front, FMLN, General Command in El Salvador on 21 Nov—read by FMLN Commander Shafik Handal]

[Text] Farabundo Marti National Liberation Front FMLN General Command communique:

The FMLN General Command notifies the Salvadoran people and the international community:

1. We consider the suspension of air and artillery operations announced by President Cristiani on 21 November in San Miguel to be insufficient. He has correctly recognized that the government did not respond to the FMLN decree that unilaterally suspended all offensive operations. His decision is only a deescalation of the war. Not only is the measure insufficient, but it is also a way to continue the fighting against the nation's will and a pretense for exerting pressure at the negotiations in compliance with the wishes of the Armed Forces' extremist group, which opposes the negotiations and the achievement of peace.

2. We reaffirm the unilateral suspension of all offensive and urban operations and economic sabotage throughout the national territory effective 0000 on 16 November 1991. We will continue to limit our actions to self-defense in areas under our control, thereby giving the government and the Armed Forces a new opportunity to respond by suspending offensive operations in the national territory as the FMLN has done. This, and no other, is our Front's official position.

3. Our communique clearly states that this decision will only be modified in the event of substantial changes and disruptions in the negotiations within the terms of the New York Agreements or if these changes are aimed at modifying the balance of forces.

4. We reassert that the FMLN's unilateral suspension is aimed at facilitating the negotiation of a definitive cease-fire and achieving peace for the transformation of our country, which is the goal of all Salvadorans.

[signed] FMLN General Command.

[issued] El Salvador, 21 November 1991.

FMLN Members' Statements Noted

PA2311025891 San Salvador Radio Cadena YSU
in Spanish 1200 GMT 22 Nov 91

[Statements by Ricardo Ruiz, Juan Ramon Medrano, and Gerson Martinez, Farabundo Marti National Liberation Front, FMLN, Political Committee members, at a "news conference" on 21 Nov; place not given—recorded]

[Text] [Martinez] We want to comment on the government's tardy reaction. We believe that its reaction is encouraging, but it is still insufficient, and it is worrisome for two reasons. First, because the infantry is a decisive factor in any war; it determines the outcome of the war. Second, because the government has yet to discard the thesis of a gradual, progressive deescalation of the war. A deescalation is a bet on the continuity of a war, and any form of continuity in a war represents a threat to peace efforts.

The FMLN [Farabundo Marti National Liberation Front] recognizes the government's gesture, but it will insist on the proposal to immediately and completely halt the war, to silence the cannons, the artillery, and the

rifle fire. The war must be stopped so we can conduct the talks for a definite cease-fire in a nonbelligerent atmosphere, which is what all of Salvadoran society wants.

Furthermore, referring to the government's reaction, the FMLN declares a peace offensive—concerted efforts toward achieving peace; diplomatic efforts toward achieving peace; political contacts toward achieving peace; and an overall political struggle toward achieving peace. Our rifles are, and will remain, silent, and they will only be heard in the defense of our fighters' lives and in the defense of territories controlled by the FMLN.

We must also categorically warn that no form of suspension of the FMLN's unilateral truce is foreseen, even as a possibility. We will try to implement defensive actions and we will try to persuade the government and the other social groups that the war must be completely halted. In other words, their decision is a relative measure and we insist that it is insufficient. We will not respond to the Army's land offensive with a renewal of actions. We will respond with a peace offensive, with political action that favors peace, based on the people's demands.

[Medrano] On the same topic, we must first state that the will of the FMLN has been clearly stated. Historically, it has been the FMLN that has decreed Christmas truces and it has now stopped the war without conditions or stipulations by declaring a unilateral truce. We reassert that our forces, both commanders and fighters, have complied with the orders of the General Command in an organized and disciplined way.

We wish to reassert something: First, it seems that the government communique still reflects the influence and power of the hardliners, meaning the Armed Forces. It seems that [Colonel Inocente Orlando] Montano, [Colonel Orlando] Zepeda, [Colonel Francisco] Elena Fuentes, [Colonel Julio Cesar] Grijalva, and [Colonel Oscar Alberto] Leon Linares preclude the achievement of peace and reconciliation by obstructing the negotiations.

I might add that these men are directly responsible for the damage inflicted on the people and the dead that have resulted from the war. We remind you that the entire nation and the international community have welcomed the FMLN's unilateral truce and its clear decision to suspend the war, and they have unquestionably demanded a reciprocal gesture from the Armed Forces and the government. This implies a suspension of the war, a suspension of the offensive operations, and a withdrawal from the zones under our control. Therefore, it also implies giving the people the peaceful conditions they deserve as we approach Christmas, and definite peace for the new year.

[Ruiz] Regarding the communique, we emphatically reject the government's attempts to link the people's movement with the FMLN. It is quite clear that the neoliberal project had a negative effect on the population, and it is just, convenient, and necessary for the

popular movement to demand at least a fair salary and a minimum Christmas bonus.

I would like to say that the government's charges are intended to conceal the plans for an offensive against the popular movement—including the takeover of the [name indistinct] offices, the seizure of a Protestant church, and a series of illegal actions that are being carried out in the countryside. We must say that this is a smokescreen to conceal a campaign of repression against the popular movement—which justly demands its rights.

Interview With FMLN Commander Shafik Handal

PA2311002491 San Salvador Radio Cadena YSU
in Spanish 0100 GMT 22 Nov 91

[Telephone interview with Commander Jorge Shafik Handal of the Farabundo Marti National Liberation Front, FMLN, by Julio Ernesto Rodriguez on 21 November—live]

[Text] [Rodriguez] President Alfredo Cristiani has said there could be other measures in the government's position but did not explain them. What do you think these measures could be?

[Handal] I do not know what the government is thinking, but what the country needs, as we stated in our last communique, is an end to all offensive operations by both sides. That is what is really needed. In our communique, we stated that we are giving the government the time and the opportunity to respond.

[Rodriguez] According to the General Command, on what is this time and opportunity based?

[Handal] Do you mean what limits have we set?

[Rodriguez] What are the limits?

[Handal] We are not setting limits. We will watch the developments very closely. Our positions and the criteria that will guide our actions are defined in this communique.

[Rodriguez] However, at what time will the government's proposal, or rather the unilateral truce, arrive at the negotiating table? What are the current prospects for the dialogue?

[Handal] We have decreed this truce unilaterally so we can move forward at the negotiation table without any interferences. Now that we have arrived at the last part, which is very delicate due to the topics being discussed and negotiated, we want to make it easy for the negotiations to advance as fast as possible. We want to honor our word. We want the conflict in our country to end and attain peace this year.

[Rodriguez] What is your opinion on the round of talks to begin on 25 November?

[Handal] I can speak on behalf of the FMLN. We are willing to sign the necessary agreements to reach a cease-fire and peace in our country.

[Rodriguez] Will the election of the new secretary general of the United Nations have any effect on the Salvadoran peace process?

[Handal] It could indeed have an effect. That is why we want the process and the signing of agreements to be completed in December because the UN secretary general will step down on 1 January. The new secretary general will be there on 1 January. [Break in reception] ...things in January, because no matter what the new secretary general's ideas are, he will logically need some time to achieve complete control of his new responsibility. This could mean months. We must also bear in mind that he has arrived at a time when there are many situations in the world that require the attention of the United Nations. Besides, we are sure that the new secretary general will not be Latin American. Therefore, he will not be knowledgeable regarding our conflict. Current UN Secretary General Javier Perez De Cuellar has been involved and has been mediating for over one and a half years; he knows about our conflict in detail. He has a commitment and wants to fulfill it.

[Rodriguez] The peace process in the past few days has suddenly made startling advances. What is the FMLN General Command's message to the Salvadoran people, when it can almost be said that the meeting that starts on 25 November is one of the last meetings.

[Handal] Our message is embodied in what I have just said. Above all, it is embodied in the facts of every day life. We decreed a unilateral suspension of all military operations throughout the country precisely to tell the Salvadoran people that peace is possible and near, as stated in our 14 November communique. We believe that this step we have taken certainly merits the Salvadoran community's decided support. We cannot allow a stubborn group within the Armed Forces to continue its war on the Salvadoran people. It is necessary to consolidate the truce. It is necessary for this suspension of military operations to turn into a bridge of peace, a bridge of no return. This is our message. We are convinced that the negotiation is bringing about agreements that can change our nation. These agreements can make El Salvador a democratic nation and a nation where there is true justice, thereby assuring new progress for our nation.

[Rodriguez] Very well, Commander Shafik Handal. To conclude, will the fact that six soldiers have been involved in, or should I say have been accused, the Jesuits' case have a bearing on the discussion of the Armed Forces issue?

[Handal] That accusation has ratified what we have been saying for a long time. This is precisely why we have insisted so much that the Armed Forces must be purged and must undergo total reform. The militarism that has been dominating our nation for so many decades must

be eliminated. This is precisely why we placed on the national debate and on the negotiating table itself the topic of ending the impunity within the Armed Forces.

[Rodriguez] We thank FMLN Commander Shafik Handal, who will begin a new round of negotiations with President Cristiani's delegation on 25 November.

FMLN Notes 'Obscure Groups' Truce Reaction

PA2311224091 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 22 Nov 91

[Station commentary: "Eight Days After Unilateral Truce, Still No Reply From Government"]

Eight days have passed since our announcement of a unilateral truce. The entire nation in one way or another has recognized our seriousness in complying with the truce.

Simultaneously, President Cristiani said that he would respond to our gesture with a similar action. However, we are still waiting for that reciprocity. Instead, what we see is an escalation of military operations carried out by the Armed Forces against our territories.

In reviewing the situation, we cannot conclude that it is all due to President Cristiani's bad faith. The negative attitude comes from obscure groups opposed to the advancements reached at the negotiations and to Cristiani's government. Those anachronistic small groups, well rooted in the government apparatus, have annulled President Cristiani's action, without caring that they are prolonging a war that has already expired.

Several well-known military and civilian leaders are behind that warmongering attitude, such as Generals Ponce and Zepeda; Colonels Helena Fuentes, Montano, and Julio Grijalba, among others, who cling to war as the only way to maintain their power and aspire to promotions within the Armed Forces. Several civilians and oligarchs with other interests join them, including Vice President Merino, coffee producer Orlando de Sola, the Salaberrias, and Garcia Prietos. The list is quite long.

At this stage, we have made a total turn toward the cease-fire, which no one can revert, much less those small groups, who already are finding out that they cannot continue their intransigent position. Everyone has closed ranks against war, as expressed by the church, political parties, social organizations, governments, and even the Bush Administration. Honest officers should remove those who want to drag them down in a senseless military adventure in El Salvador.

Eight days after launching our initiative we are firmly complying with the cease-fire. But it is good to remind President Cristiani, the [Armed Forces] General Command, and the oligarchy that it is very dangerous for them to continue their repressive and irresponsible actions. The FMLN calls on all the nation and the world to stop the warmongering attitude of those small groups

who wish to continue the bloodbath in our country. Meanwhile, we are issuing a warning that if the truce is broken we will make those minority groups pay for their irresponsibility.

Infantry Use Despite FMLN Cease-Fire Noted

PA2311044391 San Salvador Radio Cadena YSU in Spanish 1800 GMT 22 Nov 91

[Text] Colonel Oscar Leon Linares, commander of the 4th Military Detachment of San Francisco Gotera, Morazan Department, on 22 November voiced doubt that the Farabundo Marti National Liberation Front [FMLN] is respecting their unilateral cease-fire. To the officer in charge of the Armed Forces in the northeast, the FMLN was only trying to polish its public image by announcing the cease-fire. Asked if the government's suspension of the use of infantry or land forces is feasible from a military point of view as a peace gesture, Linares replied negatively, saying this would be playing into the rebels' hands by allowing them to reorganize within the framework of an armed peace. Here is Col. Linares.

[Begin recording] [Linares] The use of these means is not offensive or an aggressive measure, they are simply used to support the infantry units when they are having problems. Only then are they used. They are not used to harass or to hurt the community.

[Unidentified reporter] What is your opinion of the FMLN's demand to neutralize the infantry?

[Linares] What they want is to reach the famous armed truce, rather the armed peace they have been demanding since the beginning of the negotiations. But the truth is that it is a variable they are now using and this is why they now demand the infantry too be neutralized. The fact is that we are only engaged in regular operations aimed at providing security for the community and at protecting the state, public, and private infrastructure and our Salvadoran brothers.

[Reporter] Do you think a cease-fire will be signed in December?

[Linares] Yes, I hope a cease-fire will be signed for the sake of all Salvadorans. That would be the best move.

[Reporter] To conclude, colonel, the rebels demand that the use of infantry forces be ended as a means to reach peace. Do you believe the conditions are established to stop the use of infantry forces in the nation?

[Linares] The conditions are certainly not established, not at all. What they are looking for is to gain time, to continue with their logistical activities, to continue reorganizing. The truth of the matter is that we are a professional Armed Forces, fulfilling a constitutional duty by protecting our people, and we will not stop fulfilling our duty as established by the Constitution. If we do, then our efforts would be unconstitutional.

[Reporter] [Question indistinct]

[Linares] Our task is defensive, as a rule it is defensive. We are not carrying out offensive activities. We are engaged in permanent protection and security operations. In general, these activities are of a defensive nature. [end recording]

Although the high ranking military officer admitted that there has been a decline in armed and sabotage activities throughout the territory, he stressed that permanent operations in northern Morazan will continue just as they have in the past few months. He appeared optimistic that, at the end of the year, a total cease-fire may be reached.

National Army for Democracy Issues Communique

PA2411144091 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0000 GMT 22 Nov 91

[Communique issued by the National Army for Democracy, END, Fourth Military Region High Command in Usulután on 21 November]

[Text] 1. To the national and international communities:

A. In a gesture of goodwill, the Farabundo Martí National Liberation Front [FMLN] announced a unilateral truce to create a favorable environment for the final phase of negotiations. President Alfredo Cristiani's government, pressured by extreme reactionary and right-wing sectors opposed to the negotiations, has responded by increasing operations in the sectors controlled by our forces. This provocative attitude is an attempt to force us to violate the truce.

B. Since the implementation of the truce on 16 November, the 4th Infantry Brigade has sent the 15 September Battalion into the northern sector of San Vicente. Commando reinforcement units from the same brigade arrived on 18 November. These units have taken repressive measures against the civilian population, including threats, arrests, and interrogations. These measures are specifically directed at people suspected of assisting and gathering information for the guerrillas.

On 17 November, two young men from Nacaspilo Canton in Santa Clara Municipality, San Vicente Department, were captured and interrogated. The men were arrested merely for wearing commando-style trousers, which are common in El Salvador. The soldiers confiscated the trousers and released the two men, who were wearing only their underwear.

On 19 November, the 3d Brigade carried out an operation in the northern sector of Usulután and San Miguel. As of 20 November, the operation had been conducted as follows: Leon Battalion covered San Gerardo and the surrounding area in San Miguel Department; and Ponce Battalion covered Limones as far as Qualpia de Joco, Puertos, Loma Grande, and Nueva Granada in Usulután Department.

2. The irresponsible attitudes of the Cristiani government and the Armed Forces are a clear illustration of their total contempt for the Salvadoran people, who are anxious for an end to the war and a definitive peace that will bring social justice for everyone. The government's position is incongruous with the international desire for an end to the war.

3. Our units are ready to defend our territories, and we hold Alfredo Cristiani's government and the Armed Forces responsible for whatever happens in the coming days.

[signed] END Fourth Military Region High Command

[issued] Usulután, 21 November 1991

Cristiani Denies 'Serious Incident' in Gulf

PA2311163991 Mexico City NOTIMEX in Spanish
0934 GMT 23 Nov 91

[Text] San Salvador, 23 Nov (NOTIMEX)—President Alfredo Cristiani denied that a "serious incident" occurred between the Salvadoran and Honduran navies in the Gulf of Fonseca.

President Cristiani affirmed at a 22 November news conference that good relations with the Honduran Government prevented a conflict between the two countries' naval forces on 18 November.

The Gulf of Fonseca is one area involved in the border dispute between Honduras and El Salvador. The matter has been presented to the International Court of Justice in The Hague.

Official Honduran sources said that the naval encounter required "high-level consultations."

"There were no clashes," Cristiani said. A conflict was averted "thanks to the swift, fluent communications we have held with President Rafael Leonardo Callejas to prevent incidents of any kind in the gulf."

He stated that "on 18 November the patrol boats met, but the two countries were advised and the ministers of defense discussed the issue. The incident is therefore resolved."

In an official communique, Presidents Cristiani and Callejas reiterated that their governments will respect the ruling of the International Court of Justice, expected in 1992, on the issue of sovereign rights over the land, sea, and islands in the disputed area.

There gulf has been continuously patrolled for the last few decades due to the armed conflicts in the region. The gulf is shared by Nicaragua, Honduras, and El Salvador.

Peace Commission Charter Drafted in Mexico

PA2411041591 Mexico City NOTIMEX in Spanish
0124 GMT 24 Nov 91

[Text] Mexico City, 23 Nov (NOTIMEX)—Representatives of Salvadoran political parties, the government, and the guerrillas here on 23 November finished drafting the charter of the National Commission for the Consolidation of Peace (Copaz).

A source close to the meetings reported that with the draft charter, the three participating groups ended the second Copaz preparatory meeting, which started on 21 November at a hotel in this capital.

The commission will begin its work after President Cristiani's government and the Farabundo Marti National Liberation Front (FMLN) sign the agreement to end the 11-year war in that Central American nation.

During the meeting, the FMLN representatives requested that they be allowed to openly participate in Copaz after its inauguration. In addition, the creation of a social security system for disabled war veterans was discussed. The next meeting was scheduled for the second week of December.

Juan Antonio Martinez Varela and Juan Luis Velasco participated on behalf of the government, and Commanders Joaquin Villalobos and Francisco Jovel participated on behalf of the FMLN.

The political parties were represented by Armando Caleron Sol from the ruling National Republican Alliance, Fidel Chavez Mena from the Christian Democratic party, Victor Valle from the Democratic Convergence, Mario Aguinada from the National Democratic Union, Ciro Cruz from National Conciliation party, and Guillermo Guevara from the Authentic Christian Movement.

U.S. Congressman Linked to Guerrilla Supporters

PA2211221791 San Salvador EL DIARIO DE HOY
in Spanish 21 Nov 91 p 2

[Communique issued by Salvadoran Colonel Francisco Helena Fuentes, commander of the 1st Military Zone and 1st Infantry Brigade; place and date not given; quotation marks as published]

[Text] "Communique from the commander of the 1st Military Zone and 1st Infantry Brigade.

"Confronted with U.S. Congressman Joseph Moakley's irresponsible charges made on 18 November regarding my alleged participation in the planning of the murder of the Jesuit priests, I would like to state the following:

"1. His charges are based on a meeting that was supposedly held at the Military Academy on the day that I was at my command post defending the Salvadoran people from the FMLN's [Farabundo Marti National Liberation Front] indiscriminate aggressions. At that time the heaviest fighting occurred in the northern area of San

Salvador. Thus, my duty was to be with my soldiers defending our constitutional precepts.

"2. It should be noted that our government carried out the necessary investigations [of the Jesuit case] from the start and that it gave prestigious international investigative organizations the facilities to support the government's efforts in this respect. More importantly, the government called on the people who had pertinent information on the case to come forward. It is regrettable that Mr. Moakley has never presented the information he says he possesses.

"3. The Salvadoran people are witnesses that Mr. Moakley generally met with the groups that back the FMLN's warmongering and destructive strategy when he visited our country. We have therefore noted a suspicious coincidence between the statements made by Moakley and the ones made by terrorist leader Joaquin Villalobos.

"4. Now that Salvadoran society is about to attain peace, Moakley's slanderous and irresponsible statements are unusual. His attack on the Fatherland's unconditional defenders show that he is only interested in continuing to interfere in our country's internal affairs. His statements were evidently made to weaken the Armed Forces and are a serious threat to the Salvadoran people.

"5. Moakley, as everyone knows, has always used the media to tarnish the reputation of institutions and people. He voices his untruthful opinions with political and propaganda purposes.

"Thus, I state:

"My categorical and emphatic rejection of Moakley's charges against me. The Salvadoran people know for a fact that his action is an irresponsible one and that it goes against the peace process.

"Therefore:

"I denounce this action to the Salvadoran people and to the international community. I also make Moakley responsible for any verbal or physical attack against myself or my family. Furthermore, I reserve the right to use any legal action accepted by law."

New Round of Talks To Open in Mexico 25 Nov

PA2411214791 Mexico City NOTIMEX in Spanish
2018 GMT 24 Nov 91

[Excerpt] Mexico City, 24 Nov (NOTIMEX)—The Salvadoran people will achieve victory. The time for signing a definitive cease-fire between the guerrillas and the government is drawing near, rebel commander Joaquin Villalobos said in Mexico City 24 November.

On 25 November the Farabundo Marti National Liberation Front [FMLN] and the delegates of President

Alfredo Cristiani's government will open in San Miguel de Allende, Guanajuato, what may be the last and definitive round of talks.

Villalobos, member of the FMLN delegation, told local newspapers: "The negotiations, the principal arena of political struggle, have entered an irreversible stage." [passage omitted]

Guatemala

Deputies Review Military Court Measure on Trial

PA2411014091 Guatemala City. Teleonce Television in Spanish 1800 GMT 20 Nov 91

[Text] The importance of the measure adopted by the 4th Penal Court, which acted as a military court, is currently being discussed in juridical circles. The court partially amended the trial against several military officers in connection with the death of 11 persons killed in August on the route between Escuintla and Taxisco.

Deputies Jose Carlos Acevedo Chavarria and Juan Jose Rodil Peralta, both members of the Union of the National Center faction and candidates for the presidency of the Supreme Court of Justice, made statements about the case.

[Begin recording] [Acevedo] An amendment made by a higher court—in this case the 4th Penal Court, which acted as a military court—[words indistinct] voided the procedure. I heard the news that the procedure had flaws so the court voided the procedure and ordered a new investigation. This means that the military court must again investigate. Nevertheless, I think that this is a warning to the military investigator who handled the procedure. He must be more careful and diligent because, whether we like it or not, this type of process generates a reaction. And the officials must be much more careful when handling witness depositions, judicial investigations, and other reports. Flaws were detected in the procedure and a new investigation was ordered. This is a critical case and it is necessary to cleanse the process as much as possible.

[Unidentified reporter] Do you think the military investigator acted intentionally?

[Acevedo] I am a lawyer and I have participated in military trials. The problem is that the military have a much more strict concept. They forget that the law mostly tends to investigate the historical truth, and they want a strict implementation of the law rather than a judicial investigation. That is why I say it is appropriate and positive that the procedure has been amended, so military investigators may adopt a much more flexible attitude when enforcing the law. That is what I mean when I call this a positive situation. They should adopt a different attitude and realize that the law is being enforced in these situations.

[Rodil] I am not wholly acquainted with the case but I believe the procedure was suspended because it had some flaws, and this is correct. The important thing is for the Guatemalan people to remain alert and make sure that the management of justice is not misconstrued, or that the principle of a swift and fair trial is not violated, at a given moment merely due to procedural issues.

We must be quite clear that, if procedural flaws are discovered in a process, the normal thing is to void or suspend it so the flaws may be corrected. However, we must be careful in this and other cases, so the issue is not used as an excuse, as a vulgar ruse, to suspend the procedure—simply by using a formal excuse to preclude the management of justice and to acquit the culprits. In this case it involves people who are being tried for a murder that should not go unpunished.

The important thing in this and other cases is that the National Court Supervisory Board should work like the Sacred Inquisition worked in the Middle Ages. I should be like Damocles' sword hanging over the heads of judges and magistrates, because we cannot blame the vast majority of our judges and magistrates—who are honest, correct, dignified, and honorable men—for the actions of a few corrupt penal judges and magistrates.

The only way to abolish impunity in this country is for the National Court Supervisory Board to significantly increase its personnel. It should have at least 75 inspectors, lawyers, to systematically review all the processes and determine which judges are corrupt, who is incompetent, and who is corrupt. In fact, I propose that 10 cases on which a judge has already issued a ruling be taken twice a year from each court or from all the courts. A high-level judicial commission, whose members have been appointed based on their own merit, should be instructed to carefully and thoroughly review the cases. The commission must determine if the judge has issued a ruling that is technically and legally correct, and if no corruption is involved. If the commission finds that the judge is incompetent or corrupt, then the appropriate report must be issued and—even if the report is not issued—the judge must be dismissed. Judges and magistrates are appointed to five-year terms, but this does not mean that they can work with impunity, or that they have been given carte blanche. [end recording]

Attorney General Requests Escobar's Extradition

PA2411172191 Guatemala City SIGLO VEINTIUNO in Spanish 22 Nov 91 p 3

[Text] The Attorney General's Office has issued a communique stating that it has requested that the Court of Constitutionality uphold a ruling by the Supreme Court of Justice, acting as a Court of Amparo, to approve the extradition of Victor Manuel Escobar on drug-trafficking charges.

The communique states: "The Attorney General's Office also asks the Court of Constitutionality to declare the

appeal filed by the defense void and to uphold the sentence of denied amparo."

The communique also asks that a 10,000-quetzales fine be imposed on the lawyer who sponsored the amparo and that he be forced to pay court costs.

The U.S. Justice Department requested Escobar's extradition via diplomatic channels, but three justices voted against it.

In its statement, the Attorney General's Office expresses regret at the dissenting votes of Dr. Edmundo Vasquez Martinez, president of the Supreme Court of Justice and of the Judicial Branch, and of Justices Marco Tulio Molina Abril and Marta Lupe Meneses Juaregui, first and sixth members, respectively.

The three justices opposed the alleged drug trafficker's extradition based on Article 26, Paragraph 3 of the Constitution, implying that the case involves a political crime. The Attorney General's Office emphasized that this particular case does not involve a political crime.

"It is surprising that the UN Convention Against the Trafficking of Illegal Drugs and Psychotropic Substances, approved during the 19 December 1988 Assembly session, is not being acknowledged," the Attorney General's Office stated. The communique adds that "the ratification document signed by the Guatemalan Government on 27 December 1990 regards drug trafficking as a crime against humanity."

Presidency Secretary General on Terrorism

PA2211174891 Guatemala City PRENSA LIBRE
in Spanish 21 Nov 91 p 16

[Text] Presidency Secretary General Manuel Conde Orellana has stated that the government deplors the fact that the insurgents have abandoned the position they had adopted and have returned to terrorism and sabotage. Conde said it is the Army's duty to respond to the subversives' actions.

If the bomb recently placed in Zone 10 by the terrorists was directed at the military hospital, it is incongruous for them to continue their call for enforcement of humanitarian international law, the secretary general added.

"It is not right," Conde Orellana said, "that while the government is making a serious political commitment to the dialogue, the guerrillas, unable to strike at the Army in the mountains, have now come to the city to carry out actions that harm the civilian population."

Conde Orellana added that weapons will not bring the subversives to power, because violence is rejected worldwide.

Referring to the subversive action in San Vicente Pacaya, Escuintla, Conde Orellana said that the Army has a

constitutional mandate to defend the country domestically and to guarantee that no subversive groups can operate. That is why it must combat such groups, he said.

The peace process under way between the Guatemalan Government and the guerrillas has not established a cease-fire or truce, but the insurgents should not imperil the lives of people who live in the areas where they are operating, he said.

Guerrilla Ambush Kills Five Soldiers in Quiche

PA2311223991 Guatemala City PRENSA LIBRE
in Spanish 22 Nov 91 p 4

[Text] Five soldiers were killed and 15 were wounded 21 November in two armed clashes between the Army and the guerrillas in northern Quiche Department, according to military and press sources.

On the afternoon of 21 November, the Army issued a communique reporting that the five soldiers "died doing their duty at the service of the fatherland, having been murdered by a group of terrorist criminals."

The communique pointed out that the soldiers were ambushed on the highway that joins Chinique and Zacualpa municipalities in Quiche Department, some 80 km north of this city. The dead soldiers are Sergeant Pedro Castro Lux, Corporals Sebastian Ventura Grijalva and Pantaleon Dubon Perez, and Privates First Class Martin Anai Mateo and Santiago Alejandro Hernandez.

Radio Emisoras Unidas reported 21 November that at least 15 soldiers were wounded during an armed clash with guerrillas near Nebaj, Quiche, some 110 km north of Guatemala City.

Honduras

Health Certificates Demanded for Haitian Refugees

PA2111165791 Mexico City NOTIMEX in Spanish
0103 GMT 19 Nov 91

[Text] Tegucigalpa, 18 Nov (NOTIMEX)—The arrival of the Haitian refugees that Honduras agreed to receive has been delayed because the government has demanded that they bring documents and health certificates.

Oscar Saravia, a spokesman for the International Organization for European Migration, told NOTIMEX that the 250 Haitian refugees could arrive at La Ceiba port on the Atlantic coast of Honduras between 21 and 22 November.

Saravia specified that the first group of refugees will come from Guantanamo Naval Base in Cuba and will arrive in commercial planes chartered by the International Organization for European Migration.

He explained that lodging for the refugees is still being discussed and that they might stay somewhere near La Ceiba port.

President Callejas announced that the Haitian refugees—who will be under the supervision of the UN High Commissioner for Refugees (UNHCR)—will not be able to stay in Honduras for more than 90 days.

Zapata Acknowledges Naval 'Incident' in Gulf

PA2411021291 Mexico City NOTIMEX in Spanish
2227 GMT 23 Nov 91

[Text] Tegucigalpa, 23 Nov (NOTIMEX)—Honduran Foreign Minister Mario Carias Zapata officially acknowledged on 23 November that there had been an incident between Honduran and Salvadoran patrol boats in the Gulf of Fonseca border area on 18 November.

After acknowledging the incident to NOTIMEX, the Honduran official urged El Salvador to "act with moderation" to forestall any possibility of an armed confrontation in the future.

The foreign minister described the incident between the naval forces of the two countries as "worrisome," although neither side was obliged to use weapons.

Tegucigalpa and San Salvador have an ongoing dispute at the International Court of Justice (ICJ) at The Hague regarding island and sea borders. The ICJ is scheduled to issue a ruling on the case in early 1992.

The incident between the Honduran and Salvadoran patrol boats occurred at a place known as Farallones, in the Fonseca Gulf, one of the disputed areas.

Carias told NOTIMEX that this type of action should cease, because there are "mechanisms for the exchange of information between the naval headquarters, but unfortunately these did not function that day on the part of El Salvador."

"All I can say is that I continue to hope for moderation on the part of our neighbors to avoid any type of military incident," Carias Zapata said.

Nicaragua

Daily Reports UNO-Government Agreements

PA2211170091 Managua BARRICADA in Spanish
21 Nov 91 p 8

[Agreements signed by the government and the National Opposition Union, UNO, on 11 and 19 November in Managua]

[Text] 11 November 1991 Government-National Opposition Union [UNO] Agreement

1. The goal of both UNO and the executive is the government program.
 2. A national political dialogue is encouraged.
- First phase: government-UNO (14 parties)

- Second phase: government-UNO-Sandinist National Liberation

Front [FSLN]

3. Respect for the Army's existence under the conditions outlined in the government's National Salvation Program.

4. Reforms to the Constitution will be promoted within the framework of constitutional mechanisms and in agreement with the UNO government program.

5. Safeguard the public administration's prestige and investigate corruption charges.

6. Refrain from using positions in the executive branch, the Army, the police force, the mayor's office, and the Legislative Assembly for personal benefit or partisan objectives.

7. Establish a permanent channel of communication.

8. Launch an appeal to promote detente, continue with civilian disarmament, and encourage respect for the established civilian and military authorities.

9. The next meeting will be at 1430 on 19 November.

19 November 1991

Government-UNO Agreement (phase two)

1. Implement the 11 November 1991 agreements, stressing the urgency of a national political dialogue.

2. Create a work committee to prepare the Government-UNO meeting as the first phase of the national dialogue.

3. Call on all media to actively contribute to overcoming the climate of confrontation and, in this spirit, giving the local politicians a greater voice in government media.

4. The executive and the UNO parties will continue the efforts already under way to solve the property problem.

5. The UNO political parties believe that the 1992 budget ceiling should not be raised. The executive branch will take into account the recommendations of the Budget and Economic Matters Commission when issuing its opinion on the subject.

6. All violent acts against national stability and government authority is condemned. The taking over of companies, lands, properties, roads, and government institutions will not be tolerated. Violators will be punished by law.

7. The relationship between the executive and legislative branches should be improved in agreement with the Constitution and UNO's government platform.

8. The executive branch, in accordance with the Constitution, will honor the Constitution, comply with the laws, and ensure that the laws are obeyed, thereby

guaranteeing order and stability, which are indispensable requirements for increasing production. Production is the prime factor in generating new jobs and strengthening the economy. UNO gives its total support to the executive power in this task in favor of national reconciliation.

Government Minister Comments on Budget Allotment

PA2211195091 Managua Sistema Nacional de Television in Spanish 0330 GMT 22 Nov 91

[From the unofficial "Extravision" newscast directed by Manuel Espinoza, former information minister under the Ortega administration]

[Text] Government Minister Carlos Hurtado said today that the National Police will receive the largest share of the budget assigned to the Government Ministry. Hurtado, like other ministry officials, said he was satisfied with his budget. When asked about the commission that will investigate the events on 9 November, the minister said that it is the responsibility of Vice Minister Pallais, thus showing a lack of concern for national problems.

[Begin recording] [Hurtado] The commission has been working, and I do not want to make any predictions. Various groups have been summoned, and I prefer that the commission announce the results as it seems advisable.

[Reporter] It has been said that Police Chief Rene Vivas and Deputy Chief Alvaro Guzman should have met yesterday with this commission and that they did not want to do this. What is the situation?

[Hurtado] Commander Guzman did attend but Commander Vivas did not appear. We were attending another meeting discussing another issue. However, these are only operational aspects. [end recording]

Hurtado has been questioned by the media for creating a commission to investigate the events on 9 November but not creating commissions to investigate the events in Cebaco, the murder of Captain Meza, and the recent murder of seven peasants in Yali.

Army Deputy Chief Views Budget

PA2211201691 Managua Sistema Nacional de Television in Spanish 0200 GMT 22 Nov 91

[Text] The budget allocated to the Army, estimated at 214 million cordobas, might not be enough and could restrict naval operations, the Sandinist People's Army [EPS] deputy chief announced after appearing before the Finance and Budget Commission of the Legislative Assembly.

Colonel Oswaldo Lacayo, deputy chief of the EPS General Staff, said that this restriction will not stop the Army from carrying out its tasks. During his meeting with the Finance and Budget Commission, Col. Lacayo said that

the Army will not evade its responsibility of patrolling the coasts, even though resources are insufficient.

[Begin Lacayo recording] Illegal fishing activities have increased tremendously in recent months. The country is losing a large amount of resources. There are many millions of dollars involved in illegal fishing. Our losses are heavier than the total budget assigned to the Army. [end recording]

Lacayo said that the Army budget is a budget in times of crisis, as it amounts to 214 million cordobas.

The commission also met with Government Minister Carlos Hurtado to analyze the ministry budget estimated at 181 million cordobas.

[Begin Hurtado recording] The ministry has several departments under it, such as the immigration department and the penitentiary system, and several programs to carry out. The police force is the most important organization in the ministry and has been assigned the largest share of the budget. We are aware that the crime and public order situation requires a very well-equipped police force. [end recording]

Concerning the events of 9 November, Minister Hurtado said that the commission created to investigate these events will provide information in due time.

Further on Budget Announcement

PA2311032991 Managua Radio Nicaragua Network in Spanish 1815 GMT 22 Nov 91

[Text] Colonel Oswaldo Lacayo, second chief of the Armed Forces General Staff, announced that the ceiling of the Army's budget for 1992 will be 214 million cordobas.

After appearing before the National Assembly's Finance Commission, the high-ranking officer told reporters that there is a spirit of great patriotism among the commission members. He said they have allotted a fair budget to the Armed Forces.

[Begin recording] [Lacayo] I believe the most important thing is that the topic of the military budget, besides being a point of disagreement, is something that all Nicaraguans should share. The commission members understand the need for an Army that may carry out its constitutional duty.

[Unidentified reporter] [Question indistinct]

[Lacayo] The budget project has allotted 214 million cordobas to the Army.

[Reporter] What would happen if the Army's budget were cut?

[Lacayo] First of all, we have not noticed any intention of doing that. We are very satisfied by [words indistinct] because we believe there is a respectful and sincere spirit of patriotism or nationalism. We believe they are aware

of the fact that the Army's budget is a crisis budget. It is not a big budget, but a very tight budget.

Furthermore, we were talking to the commission about some branches of the Army that are neglected, such as the branch in charge of maritime protection.

There has been an increase in fishing piracy over the last few months. The country is losing a large amount of resources—millions of dollars—due to fishing piracy. We will try to fulfill our duty in this regard. These losses amount to much more than the Army's total budget.

We expressed this concern but that does not mean the Army will avoid its duty to patrol the coasts, even if funds are lacking. We told the commission that the Army is willing to patrol our territorial waters even if we have to do it on second or third class boats. Right now we are patrolling in fishing boats. [end recording]

Board Condemns 'Sandinist Reactionary Mobs'

PA2211165591 Managua Radio Corporacion in Spanish
2300 GMT 19 Nov 91

[Communique issued by the Community Board for Works and Progress, JCOP, in Managua on 18 November]

[Text] In light of the recent criminal actions carried out by Sandinist reactionary mobs, the municipal Community Board of Works and Progress [Junta Comunitaria de Obras y Progreso—JCOP] issues the following communique:

1. We strongly reject the thefts and damage done to the Managua mayor's offices, as well as the threat to individuals' safety by the sinister Community Movements [Movimiento Comunales] and the so-called combatants of the Sandinist National Liberation Front [FSLN].

2. The heavy damage to the municipality affects the entire Managua population. It can only be understood as thousands of people's hatred for progress and social peace.

3. The entire population believes that the bomb, which merely chipped a border of Mr. Carlos Fonseca Amador's tomb, was nothing more than a pretext for the FSLN to harm those working for the sake of progress and to bury that progress in a mausoleum.

4. It has been amply demonstrated that the Sandinists are capable of anything, even of disrespect for their own dead, because they believe the end justifies the means.

5. We condemn the complicity of the police in permitting their Sandinist comrades' terrorism. Instead of maintaining order, the police maintain the criminals' impunity.

6. We urge President Violeta Chamorro to act as the true chief of the Armed Forces. She has our full support.

7. We hold Daniel Ortega directly responsible for the terrorist actions carried out by his followers.

8. We hereby proclaim our solidarity with Radio Corporacion, which will always speak our people's language, and with Radio Minuto, Radio Mundial, and Radio Dario.

9. The JCOP offers full support for the Managua Municipal Council, the council members, and the city mayors who are building the new Managua. [issued] Managua, 18 November 1991. [signed] Marta (Mc Coger), vice president; (Bernardo Murillo), president of JCOP; Oscar Moreira Cardoza, recording secretary; Alonso Mejia Vivas, organizations secretary; and Armando Garcia Cardenas, propaganda secretary.

Recontras, Recompas Clash; Casualties Reported

PA2211190991 Managua BARRICADA in Spanish
19 Nov 91 pp 1, 8

[Report by Juan Zamora Huerta]

[Text] Jinotega—Recontras recently murdered at least seven people in cold blood in this department. The victims include the wife of a former Sandinist People's Army [EPS] lieutenant. The murders occurred on 16 and 17 November during clashes between recontras and recompas. No less than nine people were killed in the fighting.

On 11 November in El Bosque, Yali Municipality, the recontra leaders known as "Punal" and "Estrella" murdered Antonio Torres, Emiliano Talavera Castellon, Rufino Mercado Inestrosa, and Juan Agustin Castillo.

Official reports indicate that the victims were ambushed, made to stand in line, and cruelly murdered.

The recontras later kidnapped recompa leader Jaime Orozco Martinez, also known as "Jamaica," near Pantasma. Orozco and Alejandro Duarte Mairena, another recompa member, were beaten and tortured to death in Wale, 1 km from Panatasma, on 16 November, the official report added.

On 16 November, in response to the arrival of the recompas in Pantasma, a group of recontras kidnapped farmer Bernarda Espinoza, the wife of a former EPS lieutenant, from the Estancia Cora settlement. At 0200 on 17 November they cruelly murdered her for the "crime" of being a Sandinist supporter.

Recompa forces clashed with recontras at four different times on the same day while moving from Pantasma to Yali. The fighting lasted throughout the day. Seven recontras and two recompas were killed.

Reports received from the mountains of Jinotega and confirmed by the authorities indicate that the heavy fighting on 16 November began near the towns of La Pavona, Las Vegas, and La Flor in Yali Municipality. The reports say that seven dead recontras were taken to

La Rica, while the wounded were treated at a makeshift hospital set up by recontra leader "Indomable" (Jose Angel Moran Flores).

Reports received on 18 November indicate that the recompas have reoccupied Pantasma as well as the police station located there. The Pantasma police detachment is now in Jinotega.

Ortega Denies Carlos Lehder Statements at Trial

PA2411224091 Mexico City NOTIMEX in Spanish
2022 GMT 23 Nov 91

[Text] Managua, 23 Nov (NOTIMEX)—Former Nicaraguan President Daniel Ortega rejected accusations made by convicted Colombian drug trafficker Carlos Lehder. Lehder implicated the Ortega administration (1979-1990) in the trafficking of drugs destined for the United States.

Lehder was arrested in Colombia in 1987 and is the only member of the Medellin Cartel to be tried and convicted in the United States. Lehder is in a U.S. prison.

The Colombian drug trafficker said on 20 November, from his cell, that Panama, Cuba, and Nicaragua have participated in drug trafficking.

In June 1984, Lehder said, several meetings took place between high level Cuban military officers, among them Raul Castro and Manuel Pinero, chief of Cuban intelligence in Nicaragua, to secure the use of air space for drug trafficking.

Ortega told NOTIMEX that the statements by the Colombian kingpin, who is a key witness in the trial against Panamanian General Manuel Antonio Noriega in Miami, "are arranged to try and cover up the real issue, which compromises the United States."

Ortega, general secretary of the Sandinist National Liberation Front, affirmed that the U.S. Government, then headed by former President Ronald Reagan, "negotiated for the drug traffickers to supply weapons to the counterrevolutionary forces in exchange for allowing them to smuggle drugs."

"Now they (the United States) are trying to cover up the main issue in the trial (against Noriega), because Washington is deeply involved in drug trafficking," he said.

The Sandinist leader said they "went as far as to deal with drug traffickers to run guns for the contras," and thus keep up their unjustifiable war against the Nicaraguan people.

Ortega described Lehder's statements as a maneuver to tarnish the image of the Sandinist revolution, which turned over power to President Violeta Chamorro after losing the election in February 1990.

Ortega Sends Solidarity Message to Libya

PA2311033491 Managua BARRICADA in Spanish
22 Nov 91 p 5

[Message to Libyan leader Mu'ammarr al-Qadhdhafi from Daniel Ortega Saavedra, secretary general of the Sandinist National Liberation Front, in Managua, date not given]

[Text] Brother Mu'ammarr al-Qadhdhafi
Leader of the Revolution of the Great Socialist People's
Libyan Arab Jamahiriyyah
Tripoli

Brother al-Qadhdhafi:

In a new demonstration of the desire to impose at any cost and by any means its "new order" over the independent people and governments of the world, the U.S. Government has issued serious threats against the people and government of Libya. These threats endanger international peace and security.

We deeply admire the courage to resort to the International Court of Justice, which demonstrates on which side are truth and reason.

At this time of new threats against you and the Libyan people, accept the solidarity of the Sandinist Front and all Nicaraguans who defend international law and peace.

Fraternally,
Daniel Ortega Saavedra

Attempts To Destroy Radio Sandino Reported

PA2211165791 Managua Radio Sandino in Spanish
1200 GMT 21 Nov 91

[Text] Terrorist plans to destroy Radio Sandino's installations and studios continue. In less than a week, rightist terrorists have tried to destroy the radio's installations and studios. Radio Sandino has been operating for almost 14 years. A plan to destroy the radio's installations was discovered on the night of 20 November. This information caused the station to go on alert and to take protective measures. Radio Sandino occupies an area, adjacent to the Mirador Restaurant, in the eastern sector of the (Laguna de Tizapa). This area belongs to the Managua municipality. Apparently, anti-Sandinist terrorists, who want to continue the wave of violence in Nicaragua, have targeted their actions against the radio station, however, somehow their plans were revealed to the station. Apparently, the counterrevolutionaries have decided to return to their violent actions by participating in terrorism. The Big S [Radio Sandino] is the radio that has the greatest reception at the national level. The station is against revengeful and extremist actions.

Editorial on Mandatory School Fee Decision

PA2411225291 Managua BARRICADA in Spanish
20 Nov 91 p 3

[Editorial: "Education Should Not Pay the Consequences"]

[Text] Education Minister Humberto Belli made several announcements that, owing to their scope, have begun to create an uneasy feeling throughout the education community. One of the most important announcements involves mandatory fees for state high schools and voluntary fees for grade schools.

According to Dr. Belli, payment of these fees, 10 cordobas for high school and five for grade school, make it possible to complete the budget component necessary to carry out needed school, equipment, and furniture repairs. Also, the fees may be used to increase teachers' wages by 30 percent.

Some parents have stated their agreement with the ministry of education arrangement. In theory, this would free them from a predicament. Currently they must contribute money for school maintenance and exam expenses, and to make other small payments that to add up over months.

But these measures are not shared by those poor or unemployed families with more than one child in high school, to whom an additional financial obligation represents an intolerable burden. Added to this, most suspect that the five or 10 cordoba fee is only the beginning.

The gist of the matter is not related to whether or not fees represent a reasonable cost to the parents. Far more than the payment, which nationally should total several million Cordobas, what is at stake is the government's obligation to honor the constitutional precept dictating that education should be made accessible to all Nicaraguans as an undeniable contribution of the state.

At first glance, everything would indicate that a precedent has been set to introduce the privatization of education, following the trend now prevalent in Latin America, and in accordance with the neoliberal policy in vogue.

In addition, the education ministry announcement has one basic deficiency: it is an imposition. Neither students, parents, nor teachers were consulted. The ministry's ordinance was simply announced, and it ignored the traditional exercise of democratic participation in community education.

One may question if the government would not have been able to complete the education budget with the funds and property squandered by government officials involved in the latest public scandals. The least favored sectors of Nicaragua are not to blame for the capital drain the state has been undergoing at the hands of its current managers.

The Education Ministry should not be the victim of inconsistencies in the government's budget policy. If the World Bank is imposing conditions that mandate austerity in social spending, why should free education, and not the finance ministry, have to pay the consequences?

Deputy Presidency Minister Ibarra Hospitalized

PA2311174091 Managua Radio Sandino in Spanish
1205 GMT 23 Nov 91

[Text] The Nicaraguan Embassy in Washington has confirmed that Antonio Ibarra, deputy minister of the Presidency, is confined at the Baptist Hospital in Miami. The embassy did not say that Ibarra has undergone heart surgery, as his relatives have stated.

Ibarra traveled from San Salvador to Miami earlier this week without answering the mismanagement charges raised against him by Noel Vidaurre, deputy minister for economy and development.

Ibarra's friends said that the obese Ibarra will not return to Nicaragua and that he does not want to work for the government any longer.

The Presidency of the Republic has not issued a pronouncement on the case, and government spokesmen said Ibarra has not resigned his post. Other sources claim that Ibarra left Nicaragua with \$2 million in his pockets, but this allegation is unconfirmed. His absence from Nicaragua has been the topic of much speculation following the mutual accusations between Ibarra and Vidaurre.

Panama

Meeting Held To Study Seized Noriega Documents

PA2211212591 Panama City LA PRENSA in Spanish
22 Nov 91 p 1

[Report by Zoila Rodriguez Jovane]

[Text] President Guillermo Endara held an impromptu meeting on 21 November in the Presidential Palace to analyze documents from Manuel Antonio Noriega's regime that were seized by U.S. troops during the invasion of Panama in 1989. The documents fill approximately 15,000 boxes.

The meeting was attended by Foreign Minister Julio Linares; Magistrate Eusebio Marchosky [of the Directorate for the Recovery of State Property, DRP]; Government and Justice Minister Juan Chevalier; and members of a Catholic Church commission appointed by Endara to evaluate the documents.

Foreign Minister Linares said the meeting was held after the United States asked to use some of the documents "apparently in the trial against Noriega" in Miami for drug trafficking.

Asked about the results of the preliminary talks, Linares stated that it was an exchange of opinions.

DRP Magistrate Eusebio Marchosky stated that the information indicates that "there have been a large number of irregularities that are going to compromise many people in this country."

Vice President Calderon Criticizes Government

PA2211223991 Panama City *CRITICA LIBRE*
in Spanish 22 Nov 91 p 64

[Article by Jutino Gonzalez]

[Text] "The government has betrayed the ideals of the democratic and civic struggles," Dr. Ricardo Arias Calderon, first vice president of the Republic, has announced.

"This government tolerates influence trafficking and it creates an atmosphere of corruption," Arias Calderon said in a strong speech on the 31st anniversary of the founding of the Christian Democratic Party (PDC).

"The administration of justice is questionable and there is no realistic economic policy," the leader of the green star party said. He added: "Poverty and social injustices are increasing, inasmuch as the government is accumulating financial debt and social debt."

In an outstanding part of his speech, Arias Calderon said that not only does the government lack direction but it is leading the country backward. He added that the PDC has proposed a plan to develop the nation and eliminate bureaucracy.

Cabinet Orders Government To Settle Accounts

PA2211233391 Panama City *EL PANAMA AMERICA*
in Spanish 19 Nov 91 p 1-a

[Report by Juan Pritsiolas]

[Text] The cabinet has ordered a compensatory payment of accounts between the central government and decentralized institutions, including the ceding of deposits that these institutions have in the National Bank and the Savings Fund [Caja de Ahorros].

Cabinet Resolution No. 303 explains that this mechanism is needed to clarify the financial status of the decentralized institutions; in other words, the institutions must bring up to date their accounts with the public sector.

The measure indicates that the central government will use whatever resources at its disposal to make payments on its own overdue debt, as well as that of the decentralized institutions, with international financial institutions (IFI's).

The decentralized sector's foreign debt at present amounts to \$1.4177 billion, while the central government owes \$2.5906 billion. The amount of debt to the

IFI's that is in arrears is \$610 million. Guillermo Endara's administration has paid \$755.6 million on the public debt in 23 months.

The cabinet established a procedure by which the central government makes payments to the IFI's on behalf of the decentralized sector.

These disbursements will be subtracted from the government's present and future debt to the decentralized institutions for services rendered.

Another mechanism is for the decentralized institutions to transfer their deposits in the National Bank or the Savings Fund to the central government. Once these deposits are endorsed over to the central government, they would be applied against the government's \$945.7-million overdraft with the National Bank.

The public sector currently has \$1.2495 billion deposited in the National Bank.

In another resolution, the cabinet instructed the National Bank to make monthly deductions from the public sector's accounts to pay for basic services.

Cruz Alleges 'White Collar' Criminals Campaign

PA2211175291 Panama City *Telemetro Television*
Network in Spanish 1720 GMT 21 Nov 91

[Text] Attorney General Rogelio Cruz said that Assistant District Attorney Carlos Herrera Moran will not be suspended from his post for the time being. Cruz also charged that there is a campaign by white collar criminals against the Attorney General's Office and the Judicial Branch.

[Begin recording] [Cruz] This is due to investigations that began several weeks ago on corruption charges against some low-level officials in the Assistant District Attorney's Office. Charges by former Secretary [Edilberto] Vasquez against Assistant District Attorney Carlos Herrera Moran began just last week. Up to now, neither Mr. Vasquez nor any of the lawyers who claim to have information have appeared before this office. We invite them to come forward and supply the evidence that could prove any truth to the charges made by former official Vasquez. Until this takes place, it would be a totally arbitrary action for me to suspend Herrera Moran. Moreover, it is obvious that there are people who want to discredit the work of the Attorney General's Office for the sole purpose of tying our hands and neutralizing our effectiveness. In the case of the assistant district attorney, and in my own future personal case, similar situations could arise. I have gathered information on this situation and believe that there are people who want to discredit the Attorney General's Office to neutralize its prosecution work against both national and international crime. Worse still, white collar crime is committed by people with plenty of money to pay for lawyers, newspaper publications, and campaigns to discredit officers who are prosecuting criminals.

[Reporter] Are the white collar criminals you refer to members of the opposition?

[Cruz] I would not like to define their political affiliations, but there are Panamanians and foreigners involved. Most importantly, they are white collar criminals.

[Reporter] What does the Attorney General's Office intend to do?

[Cruz] The Attorney General's Office is gathering information to uncover these types of campaigns, while continuing its very difficult task of chasing criminals. [end recording]

Foreign Minister on U.S. Military Exercises

PA2511004291 Panama City CRITICA LIBRE
in Spanish 24 Nov 91 p 6

[Article by Roberto Cubilla]

[Text] The U.S. Army stationed on the banks of the Panama Canal will carry out unilateral military exercises in the next few days, Foreign Minister Julio Linares announced. He added that these exercises were approved by Panamanian authorities.

Linares said the military exercises will be carried out unilaterally because Panama does not have an army. He clarified that these maneuvers used to be carried out jointly with the Panama Defense Forces.

The foreign minister explained that, in 1990, the Panamanian Government denied 12 requests for authorization to carry out military exercises presented by the high command of the U.S. Army South, stationed in the country. He stressed that in 1991 only four requests have been denied.

This does not mean the government has given in this year, the minister explained, adding that the situation last year was different. He pointed out that Panama is seen internationally as giving in to the United States, and if last year's requests had been granted, this unfavorable image would not have been erased. He emphasized that,

last year, the U.S. military action of December 1989, during which the previous regime was ousted, was still very recent.

He noted that several U.S. requests were presented just three days prior to the beginning of the exercises, which did not provide the Foreign Ministry with the opportunity to make the necessary consultations, so the requests were denied.

He added that it has been decided to establish a minimum of 10 days required for authorization of such maneuvers.

He emphasized that the forthcoming military exercises by U.S. troops will be carried out at the Rodman Naval Base, Fort Kobbe, and Howard Air Force Base. Exercises will also take place on national territory at Melones Island.

Authorities Search Border Area for Arms Cache

PA2411220491 Paris AFP in Spanish 1819 GMT
24 Nov 91

[Text] Panama City, 24 Nov (AFP)—Authorities in western Panama near the Costa Rican border are searching for a cache of arms that "could be used at any time" against Guillermo Endara's government, official sources reported 24 November.

Edgar de Puy, governor of Chiriqui Province, told the press that the arms being sought are part of a cache of more than 80,000 weapons distributed by deposed General Manuel Antonio Noriega among his supporters in early 1989 to face a possible U.S. invasion.

Since Endara assumed power after the U.S. invasion on 20 December 1989, the government claims it has neutralized at least 11 alleged plots against the president. However, only five Panamanians are in jail related to those cases.

Governor de Puy did not rule out the possibility that Noriega's supporters "are waiting for an opportunity" to use the hidden weapons to try to destabilize the country.

"Based on the investigations conducted, many weapons are still in the hands of Gen. Noriega's friends, but unfortunately most of them are stored in hidden caches," he stressed.

Argentina

Menem on Reelection: 'Six Years Is Enough'

PY2311164091 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1205 GMT 23 Nov 91

[Excerpts] Buenos Aires, 23 Nov (NA)—President Carlos Menem denied that he intends to run for reelection, and said that the Mothers of Plaza de Mayo "must stop carrying their dead ones around and forget" the consequences of the repression unleashed by the last military regime.

The chief of state, in comments made to the "Hora Clave" [Key Time] program broadcast by ATC [Argentina Televisora Color], said that he will not seek reelection by asserting that "I have only been in government two years and still have four to go, and I think that six years is enough..."

A group of Spanish journalists that Menem met at Government House asked him about the repression unleashed by the last military dictatorship. [passage omitted]

The comments Menem made to the Spanish journalists prompted a communique issued by the Communications Secretariat denying that Menem had accused the Mothers of Plaza de Mayo of receiving financial aid from the Cuban Government.

The official communique reads that "in view of versions disseminated by some radio stations" on comments that Menem "allegedly made during an interview granted to a group of Spanish journalists, the Communications Secretariat hereby categorically asserts that the chief of state never said that the organization of Mothers of Plaza de Mayo receives financial aid from the Cuban Government."

Government Issues Southern Seas Exploitation Law

PY2211211491 Buenos Aires Radio Nacional Network
in Spanish 1500 GMT 22 Nov 91

[Text] Foreign Minister Guido di Tella held a news conference to announce the promulgation of Law 23978. This law includes the Malvinas, South Georgia, and South Sandwich Islands and reiterates Argentine rights to exploit natural resources, including mineral and oil, in territorial seas on the Argentine continental shelf.

Di Tella said the British Government announced that this legislation will permit prospecting in the area. The Argentine Government, however, does not agree to the jurisdiction that the United Kingdom claims over the area.

Di Tella added that according to the joint declaration signed in Madrid on 7 February 1990, diplomatic representatives of the two governments must meet in London during the first week of December and that discussions will continue in Buenos Aires in early 1992. The purpose

of these meetings is to analyze the situation and to consider possible cooperation in all areas.

In sum, the Argentine Government expressed that it appreciates the current state of bilateral relations with the United Kingdom; that such evaluation does not affect Argentina's unrestricted rights over the Malvinas, South Georgia, and South Sandwich Islands; and that it considers the mutual willingness to seek possible cooperation mechanisms in these matters as a positive step forward. This is part of Di Tella's remarks:

[Begin recording] These commissions will analyze cooperation mechanisms to face the question of exploiting resources, mineral exploration, and all possible types of cooperation. Our declaration concludes by saying that the Argentine Government appreciates the current state of bilateral relations with the United Kingdom; that such an evaluation does not affect Argentina's unrestricted rights over the Malvinas, South Georgia, and South Sandwich Islands; and that it considers the mutual willingness to seek possible cooperation mechanisms in these matters as a positive step forward.

This is the news. Apart from statements confirming the two countries' positions on the issue of sovereignty, mentioned in previous declarations in the United Kingdom as well as in Argentina, what is important and new is the analysis of mechanisms for cooperation in the conflict zone. [end recording]

Di Tella Comments

PY2311015091 Buenos Aires TELAM in Spanish
1825 GMT 22 Nov 91

[Quotation marks as received]

[Excerpts] Buenos Aires, 22 Nov (TELAM) — Argentine and British Government negotiators will meet in London in December and in Buenos Aires in January to agree upon common methods for mineral and oil prospecting in areas of the South Atlantic. Both countries claim continental and maritime sovereignty there.

Foreign Minister Guido di Tella announced this after the government promulgated Law No. 23958 on "baselines" from which Argentine maritime spaces are measured. This is based on the assurance that "the British Government is going to dictate legislation" on what it considers to be its jurisdiction. [passage omitted]

Regarding the announced visit of former British Prime Minister Margaret Thatcher to the Malvinas Islands, Di Tella stated that he hoped that she "will not adopt an irritative position" that could harm Argentine-British relations. [passage omitted]

During a news conference, the foreign minister stated that both governments agreed that the two countries' diplomatic representatives should meet in December in London and here at the beginning of 1992 "to evaluate the situation that will evolve from this legislation and to consider possible methods of cooperation."

Di Tella stressed that these ways of cooperation "will be of every type such as mining, seismological prospecting, or whatever is finally determined in the area under consideration."

He reported the British Foreign Office [two preceding words in English] reiterated "the resolutions that were adopted in October 1986, clarifying that it is willing to make advances in this seismological analysis of the area, which is now going to be included in the agenda of the joint commission that will meet in December and January."

He made it clear that "during all the talks on cooperation we will use the safeguard of the famous umbrella that was established at the beginning."

"We believe that we have the right to make all types of exploitation in our maritime zones, and we are not going to give them up. Regrettably Great Britain has the same kind of thoughts about a certain zone of the territorial sea. It wants to exploit the fishing and minerals in the same way that it exploits sheep on dry land."

"Argentina has changed; it is turning into a country that is beginning to be respected; it generates confidence and credibility. As long as this is maintained (...) our demands for sovereignty were not listened to in the past (...) and, in view of this new Argentine geopolitical situation, our demands will be listened to and acknowledged," he said.

He also stated that next week during the meeting of the Group of 15, the Argentine delegation will give priority to topics that are linked to: "Investment, trade, subsidies, and the flow of capital."

Regarding the election of Egyptian Butrus Ghali as UN secretary general, Di Tella said that "we are very satisfied. He is a person who has a great background."

He believes that Brazil's economic crisis will not affect the normal development of Mercosur [Common Market of the South], because "Brazilians are not going to let their guard down. Brazil is perfectly capable of reacting to the economic crisis because it has a very strong economic and political structure."

The foreign minister also stated that the OAS is organized for any situation that might occur in the world and the Americas. The new functions that it is carrying out and those that it might have to carry out requires that the charter be adapted to these situations."

Regarding the situation in Cuba, he said: "It does not require military intervention, and we believe and have confidence in a peaceful solution," and he maintained that "through dialogue and persuasion the Cuban authorities can be convinced."

Bolivia

Government Strategy Against Coca Growers Denied

PY2211203691 La Paz EL DIARIO in Spanish
19 Nov 91 p 5

[Text] Interior Minister Carlos Saavedra Bruno officially reported that the government has not prepared any type of strategy or plan against the coca growers, and he denied reports on this topic that appeared in the press.

"I have read in the press that the government is presumably preparing a plan to use against the growers; this is absolutely not true and it would be a repressive measure. And, in this respect you can report that the Interior Ministry does not plan to repress the coca producers," the minister said.

He stated that the reports in this respect are just simple speculation that have the intention of tarring the democratic image of the Interior Ministry, and especially the government's image.

Murder

Referring to the murder of Ernesto Retamozo in Santa Cruz de la Sierra, which was attributed to drug traffickers, Saavedra clarified that this person was not a member of the Special Antinarcotics Force, as initially reported, because this force was created in 1987; but it is very true that Retamozo participated in the beginning of the fight against drug trafficking.

He said that the murder, according to a preliminary report, was attributed to a "vendetta" by drug traffickers due to the way it was executed.

"Retamozo went to meet someone, whom we surely believe could have had links with drug trafficking, to pass on information, or for some other motive, and he was murdered," the minister explained.

Asked about the links of the murdered person with drug trafficking, a situation that was known by the ministry and which despite this fact the ministry did not carry out any decisive action, Saavedra said that, yes, Retamozo had links with that activity, and this can be confirmed by reviewing press reports.

"He made a number of statements accusing numerous persons of being linked to drug trafficking, but we also know that he continued to have certain links through which he gave information to the drug traffickers. In this respect, he was a person who had links with drug trafficking, although not direct links, but he was passing information," the minister added.

Regarding why Retamozo was not arrested despite those links, the minister said that, yes, he was arrested some 10 days ago "believing that he could have some information on the Huanchaca case." Moreover, he added, we could obtain nothing from him and we had to release him.

Eradication Plan To Continue

PY2311021291 La Paz La Red Panamericana
in Spanish 0000 GMT 23 Nov 91

[Text] The Bolivian Government will execute the 1991 coca eradication plan, following an amended timetable agreed upon by representatives of the executive branch, peasant leaders, and the Cochabamba Civic Committee. This information was disclosed today by Campesino Affairs Minister Mauro Bertero, who reaffirmed that the government will fulfill its eradication targets without resorting to violence against Chapare coca farmers.

The minister said: The peasants know that the coca eradication plan must be carried out. He emphasized that an agreement to expedite this was signed in Cochabamba recently.

[Begin Bartero recording] Through this agreement we have amended the alternative development policy to the point that we can make adjustments, bearing in mind the expectations of the peasants and the commitments that we Bolivians have undertaken (?abroad). I would like to make it clear, however, that President Paz Zamora's administration has never intended to use the Armed Forces and their better training for drug enforcement to eradicate coca plantations or to wage a war against the peasants. [end recording]

Minister Bertero said that the recent increase of coca prices helped to undermine the coca eradication plan. This week coca leaves were worth 220 Bolivian pesos [unit of weight not specified].

[Begin recording] [passage indistinct] We have clearly ascertained that peasant organizations are willing to go ahead with the (?eradication). Now we need to let the international community know that it must give us markets and good prices for our agricultural products to compete on an equal footing with the price of coca and offer (?the peasants) other income options. [end recording]

The minister said that the government will fulfill its international commitments concerning drug enforcement but it also requires more cooperation from the wealthy countries to finance the alternative development plan.

Growers Unable to Repay Loans

PY2211235491 La Paz PRESENCIA in Spanish
18 Nov 91 p 4

[Text] The coca producers of the Chapare Tropical Region will not be able to pay the \$7 million that they owe to the PL-480 Project. This sum was given to them as a loan so that they could diversify their production and voluntarily eradicate their coca plantations.

Evo Morales, a campesino leader of the region, said that there are 13,000 campesinos who voluntarily eradicated

their plantations, but only 1,050 benefited from the loans of that program, directed towards agricultural development.

He explained that the campesinos that benefited from the program received \$7,000 at an interest rate of 13 percent per year.

Regrettably, he said, due to the lack of markets for their agricultural products, they cannot possibly cover their financial obligations. They will be forced to cultivate coca again in order to pay their debts.

The campesinos received the loans in the form of money, coconut plants, and other exotic plants, of which a large percentage died due to a lack of knowledge on how to cultivate them. Meanwhile, the organization that made the loans initiated court action to recover the funds, which should be used for agricultural development and the voluntary eradication of coca.

Morales stated that during the last meeting of leaders, a decision was made to ask the government to suspend the court action and to cancel the payment of the interest on the loans.

Government authorities and executives of the program have the obligation to grant the requests, because the campesinos cannot cover their obligations, Morales said when he stressed that the executive branch must supply markets for the agricultural products of the Chapare campesinos.

He made it clear that the coca producers do not want to avoid this commitment, they just simply cannot comply due to the very critical situation.

DEA Agents Charged With Drug-Trafficking Scheme

PY2211180891 La Paz PRESENCIA in Spanish
17 Nov 91 p 1

[Excerpt] (MNR) [Nationalist Revolutionary Movement] Deputy Guillermo Richter told PRESENCIA yesterday that national and DEA agents placed cocaine on the planes that operate as air taxis in El Beni Department. They did so to later seize the planes and charge their pilots and owners with being connected to drug trafficking.

Richter said he was informed about this by several people and that these reports will be investigated by the Chamber of Deputies Multiparty Commission, which will travel to the capital of El Beni Department on 20 November.

Richter expressed his indignation about this incident, describing it as "unfair and unbearable."

He said the cocaine test that the planes are subjected to is not reliable because it is done without the presence of a representative from the Civilian Pilot Association

"and in the majority of cases without the presence of the charged pilots, or judges authorized by the Special Antinarcotics Force."

Richter added: "It was reported that it is DEA agents who place the cocaine. The commission will carry out an exhaustive investigation and, if this is proven, will be implacable in punishing the guilty." [passage omitted]

Defense Ministry To Ask For Increased Budget

PY2211193491 La Paz Television Boliviana Network
in Spanish 1700 GMT 22 Nov 91

[Text] In an effort to improve the military infrastructure and optimize the services rendered by the Armed Forces, the defense ministry will ask for a budget increase for 1992.

The plan designed by the Armed Forces maintains that the institution, faithful to its objectives, wants to improve its services and improve the support for the personnel deployed in border areas.

In addition, Defense Minister Admiral Alberto Saenz Klinsky said that no reduction of Army personnel has thus far been considered.

[Begin recording] [Klinsky] On one occasion I said this to the press and I will now reiterate that we are considering a reduction of defense ministry personnel. This affects exclusively the ministry and does not affect Armed Forces officers or soldiers.

[Unidentified reporter] However, Minister, you said that a commission will study the subject.

[Klinsky] Right. As you say, a commission is analyzing the rationalization of ministry personnel. Some of our personnel are not actually indispensable. We understand the economic crisis our country is experiencing. We are not in a time of...[changes thought] You know what is happening to our foreign trade. We have no accurate information. The appropriate officials of the field of hydrocarbons issued reports. This is the most important field. Prospects for the future seem to be very good, but next year the situation could be a bit difficult. Therefore, we have to adapt ourselves and, as I said, set preferences and priorities. The defense ministry has a plan for border areas that will be submitted to the Armed Forces Captain General, who already received the first copy [as heard]. The printing house will immediately release the plan. In addition, this plan has to be corrected and implemented. [end recording]

Commercial Bank Savings Increase 50 Percent

PY2211170491 La Paz Television Boliviana Network
in Spanish 0200 GMT 22 Nov 91

[Summary] Banks Superintendent Luis del Rio reported that savings in the commercial banking system increased more than 50 percent so far this year compared with 1990. He said through 17 November 1991, savings

reached 4.28 billion Bolivian pesos, or \$1.16 billion. The largest savings are in foreign currency, amounting to \$943.36 million; the amount in Bolivian currency is equivalent to \$131.19 million; and \$85.56 million is in national currency for monetary correction.

Brazil

Collor Says Economic Growth To Resume in 1993

PY2511125091 Brasilia Radio Nacional da
Amazonia Network in Portuguese 0900 GMT 25 Nov 91

[Report by Corban Costa]

[Excerpt] [passage omitted] President Collor has said that the Brazilian economic growth will be resumed in 1993. He said that this growth will be reinforced by government actions like fiscal reform, the constitutional amendments that have been submitted to Congress, and prospects of a bumper crop in 1992.

*** IPEA Releases Projections on Economy**

92SM0085F Sao Paulo GAZETA MERCANTIL
in Portuguese 29 Oct 91 p 3

[Article by Brasilia correspondent Liliana Lavoratti]

[Text] The Gross Domestic Product is likely to grow by 0.8 percent this year, not enough to make up for the 4 percent drop that occurred last year. The rate of investment, which was 16.1 percent in 1990 and thus the lowest in recent years, would fall back even further, to 15.3 percent this year. Industrial activity may possibly achieve the same level as last year if the decline of 0.3 percent is maintained until December.

In this final quarter of the year, the Brazilian economy will continue to be dominated by the "reign of expectations" and the repercussions of this phase cannot yet be foreseen "with a reasonable degree of confidence." The administration's hope is that the proposal for changes in the Constitution will alter the expectations and transform "tumultuous 1991 into a year of transition between a decade of fiscal imbalances and the laying of a foundation for the kind of economic adjustment that is vital to a sustained resumption of growth."

These are the government's most recent predictions on the economy, and they can be found in the Trends Bulletin for October published by the Institute of Economic and Applied Research (IPEA), the agency of the Ministry of the Economy that is responsible for the leading official indicators. The economic analysis was completed last Friday during a meeting between Special Economic Policy Secretary Roberto Macedo and IPEA experts from Brasilia and from Rio de Janeiro, where the research group is based.

The administration acknowledges that a new period of declining consumption and production may already have set in, having begun in the last week of August after

the Central Bank raised the interest rates. The BC's strategy was reinforced by the mid-devaluation of the cruzeiro against the dollar on 30 September, a move made to assure control of the inflationary process.

The IPEA document concludes that the only sources of a potential expansion of consumption that could be anticipated in the coming months are the planned future releases of partial lots of frozen new cruzados. "However, it is unlikely that these could reverse the situation if the present tight monetary policy is continued," the IPEA study says. Holiday sales at year end may surprise the experts, but it is not expected that they would be a significant development in macroeconomic terms.

Following are the main projections by the IPEA for the Brazilian economy this year:

- The inflation rate will continue to rise, but it is emphasized that, in the short run, the rate depends more on the evolution of expectations held by the economic agents than on objective factors themselves.

The surplus in the 1991 trade balance was projected at \$11.7 billion, the result of exports of \$32.3 billion and imports of \$20.6 billion. Those estimates represent increases of 6.2, 2.7, and 0.9 percent, respectively, from 1990's results.

The real decline of 36.35 percent in federal taxes and fees between January and September this year indicates how urgent it is that steps be taken to restore federal revenue levels.

The "farm package" is welcome, but came late. These measures should have been taken in time for the 1990/91 harvest, i.e., last year, in order to stimulate agricultural production. The profitability of the 20 leading farm products this year, measured by gross receipts, recovered by about 12 percent from 1990 levels, not quite as much as initially predicted.

Industrial production will probably be close to last year's results (down 0.3 percent). The capital goods segment would still show a rather sharp decline (down 9.15 percent), while output of consumer goods will experience the most significant recovery (2.2 percent) with consumer durables demonstrating a strong increase (9.0 percent).

The GDP will rise by 0.8 percent this year over its 1990 level—which had fallen by 4.02 percent. The industrial sector—which, as the national accounts are defined, includes manufacturing, mining, construction, and industrial public utility services—should exhibit a decline of 0.8 percent. The agricultural sector will expand by 3.0 percent and the services sector would end the year on the plus side, by about 1.6 percent.

The rate of investment—the ratio between gross formation of fixed capital and the GDP—would be below that of last year: 15.3 percent compared with 16.1 percent.

Summary of IPEA Projections

1. Industrial Production

Period	Accrued Change Over 12 Months (%)
September 1991	-3.8
December 1991	-0.3

2. Trade Balance

Breakdown	1991 (US\$ billions)
Exports	32.3
Imports	20.6
Trade Balance	11.7

3. Internal Product

Breakdown	Accrued Change Over 12 Months (%)	
	1991-III	1991-IV
Agriculture	2.3	3.0
Industry	-4.6	-0.8
Services	0.6	1.6
Total GDP	-1.4	0.8

4. Investment

	12-Month Rate (% of GDP)
1991-III	15.4
1991-IV	15.3

Source: Institute of Economic and Applied Research (IPEA)

Opposition Seeks Support To Override Collor

PY2211155091 *Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 22 Nov 91*

[Excerpts] The opposition parties have decided to block all voting until the necessary number of congressmen is secured to reject President Fernando Collor's vetoes of the salary policy.

As a result of the opposition congressmen's decision, voting on the tax reform, employment position regulations, and an industrial patents draft bill, among others in which the government is interested, might be postponed until next year.

In the opinion of Chamber of Deputies President Ibsen Pinheiro, Collor's appeal is positive and was welcomed by all political parties. Pinheiro took the opportunity to also urge the political parties to reach an understanding. He believes that only a broad negotiation will solve the decision to block voting.

Senator Marco Maciel, PFL [Liberal Front Party] senator for Pernambuco and government leader in the Senate, has stated that the government will not accept any agreement to prevent the opposition parties from obstructing issues of its interest being discussed by Congress in exchange for the rejection of presidential

vetoed of the salary draft bill. Maciel hopes that the impasse will be solved through dialogue and understanding. [passage omitted]

Maciel added that the information provided by the Social Welfare and Economy Ministries on the cost that the increase of expenditures would represent if the vetoed of the salary policy are rejected has convinced opposition leaders to lift the obstruction in Congress, thus allowing the voting, not only of these vetoes but also of other important issues. [passage omitted]

Latin American Integration Department Created

PY2211222091 Brasilia Voz do Brasil Network
in Portuguese 2100 GMT 22 Nov 91

[Report from Itamaraty by Antonia Maese Vale]

[Excerpts] Today the Foreign Ministry has gained yet another department. It is the Latin American Integration Department [Integracao Latino Americana].

[Begin Maese Vale recording] Itamaraty's Latin American Integration Department will be responsible for all the foreign affairs negotiations pertaining to South and Central American countries.

Minister Francisco Rezek has named Ambassador Rubens Antonio Barbosa to head the new department.

Barbosa has stated that the creation of this department demonstrates Itamaraty's acknowledgement of the importance of the affairs that are linked to regional integration. [passage omitted] [end recording]

The Latin American Integration Department consists of a regional integration division and a specific division that will deal with affairs pertaining to the Common Market of the South, Mercosur.

* Industrial Activity Up 1.3 Percent in Jul

92SM0085E Sao Paulo GAZETA MERCANTIL
in Portuguese 30 Oct 91 p 14

[Article by Rio correspondent Vera Saavedra Durao]

[Text] The level of activity in Brazilian industry experienced a growth of 1.3 percent in July compared with the month of June, and 4 percent compared with July of last year. Those indicators helped slow the decline in the accrued rates, which puts the rate for the past seven months at minus 0.3 percent and that of the past 12 months at minus 4.8 percent. The figures released yesterday by the Brazilian Institute of Geography and Statistics (IBGE) emphasize that in July, industry attained its highest level of production since the Collor government took office—117.98 percent. Even so, this is below the levels, averaging 121 percent, achieved during the Sarney administration.

Brazil: Industrial Production Indicators by Industrial Categories and Goods
Monthly Fixed Base Index (Index-Number)
Base: 1981 Average = 100
CI-80 Weighting, plus seasonal adjustment

Categories and Goods	Jan	Feb	Mar	Apr	May	Jun	Jul
General Industry	102.19102.00	103.97	117.04	117.22	116.43	117.98	
Mining	210.45	198.64	190.98	204.59	209.15	209.37	206.34
Manufacturing	99.19	99.08	101.34	114.39	114.44	113.62	115.31
Nonmetallic Minerals	79.24	80.61	89.92	95.49	100.39	98.43	100.11
Metallurgy	98.16	106.33	103.60	121.09	119.29	119.23	122.00
Basic Metallurgy	105.44	109.09	104.37	121.99	124.20	122.34	123.7
Other Metals Products	86.51	101.91	102.36	119.64	111.42	114.25	119.22
Machinery	81.57	79.78	82.07	87.12	90.12	89.33	86.2
Electrical & Communications Goods	102.19	107.08	109.38	131.40	124.09	131.88	136.93
Transportation Goods	88.75	74.80	87.83	88.17	96.96	105.44	109.29
Automotive Vehicles	100.42	78.60	97.72	95.21	106.65	119.08	124.77
Other Transportation Products	65.70	67.28	68.30	74.27	77.84	78.51	78.71
Paper and Cardboard	130.31	134.51	144.45	148.30	153.52	152.95	153.88
Rubber	118.75	100.13	90.88	149.85	140.75	137.59	148.94
Chemicals	114.58	114.50	101.01	129.69	129.92	127.86	128.37
Refined Petrochemicals	112.71	109.42	72.82	130.39	119.96	115.80	121.93
Other Chemicals Products	115.79	117.83	119.53	129.22	136.46	135.78	132.59

Brazil: Industrial Production Indicators by Industrial Categories and Goods
Monthly Fixed Base Index (Index-Number)

Base: 1981 Average = 100

CI-80 Weighting, plus seasonal adjustment
(Continued)

Categories and Goods	Jan	Feb	Mar	Apr	May	Jun	Jul
Pharmaceuticals	104.28	95.39	105.59	125.33	121.03	101.81	118.17
Perfume, Soaps, Candles	148.81	164.36	176.56	203.88	171.38	167.43	167.42
Plastics Products	108.99	95.63	123.49	130.94	129.04	119.65	122.47
Textiles	79.03	88.28	95.24	105.19	100.54	99.61	100.94
Apparel & Footwear	62.08	61.05	71.05	75.25	72.16	69.74	71.62
Food Products	113.65	111.79	116.12	119.74	125.60	120.32	119.28
Beverages	146.53	144.96	145.55	155.01	148.26	151.96	161.28
Tobacco	163.36	152.45	139.33	157.89	122.79	114.84	115.48

Source: IBGE/DPE [expansion not given]/Department of Industry

In the opinion of the IBGE analysts, behavior of industrial production in July still reflects the impetus toward expansion that began in April when, after production had tapered off, retailers found they needed to restock their shelves when sales heated up and especially in light of expectations of increased demand derived from the September release of the blocked new cruzados. Of the 17 categories of goods studied in July, 13 performed favorably as against June. This was especially true of pharmaceuticals (16.1 percent), rubber (8.2 percent), and beverages (6.1 percent). The category which grew the most, seasonally adjusted (month/previous month), was intermediate goods at 2.1 percent, especially intermediate goods for the construction industry (3.3 percent). The category "capital goods" recorded the worst results, a decline of minus 0.9 percent in the seasonally-adjusted indicator and of minus 10.2 percent for the year up to July, which signals a retraction of productive investment. Consumer goods expanded by 1.9 percent compared with June, with durables rising by 4.9 percent and nondurables by 2.5 percent. As regards durable goods, the monthly record performance of passenger car output—82.3 percent—deserves special mention. Production of television sets, radio, and audio equipment also hit a record level, expanding by 24.3 percent during the month.

Despite the high level, behavior of production in July already suggests a more moderate trend than that seen in May. To IBGE analysts, the behavior of industry in August and September probably will already reflect the impact of the mid-August "interest rate shock." Recent statistics portray the frustrations in sales and all indications are that this year, industry will probably break the seasonal pattern of "peaks" of production in August and October. Circumstances are different these days, according to the official economists, and certainly the tight money policy intended to force companies to get rid of their inventories will lead to a change of signals in the rates of industrial production, which until July were positive.

In its last trends bulletin, the National Confederation of Industry (CNI) projects a scenario in which changes in industrial production will be close to zero. The Institute of Applied Economic Research in Rio de Janeiro (IPEA-RJ) anticipates a similar performance, something in the area of minus 0.3 percent, which means industrial performance will be identical to that of 1990. In the CNI analysis, the restrictions imposed by high interest rates and the erosion of earnings—fruit of the acceleration in the inflation rate—should predominate in the final four months of the year, putting a recessionary scenario back on the industrial horizon.

*** Government Intends To Only Complete Angra II**
92SM0085A Sao Paulo GAZETA MERCANTIL
in Portuguese 29 Oct 91 p 7

[Article by Brasilia correspondent Maria Helena Tachinardi]

[Text] The Brazilian government has now decided that the nuclear agreement with Germany will not go beyond the Angra II power plant. As for Angra III, which would cost nearly \$2 billion to build, the policy is to help it lapse into "ostracism," said a reliable Itamaraty source.

According to reports from the Ministry of Foreign Affairs, 63 percent of the work on Angra II has already been done, at a cost of \$4.1 billion. To complete the plant, Brazil will have to obtain funding [preceding word in English] of \$1.5 billion. That is the main problem, since, as Minister Joao Santana told this newspaper, the Ministry of Infrastructure—which is responsible for the construction work—does not know where it would get the money.

Planalto Palace Secretary for Strategic Affairs Pedro Paulo Leoni Ramos confirmed to this newspaper that Brazil intends to only complete Angra II, which is within the country's energy matrix. Foreign Minister Francisco Rezek added that the least costly option would be to

finish Angra II, since it has already cost Brazil's coffers so much. That is also the view of the German government. Official sources from that country said it would make more sense to complete Angra II than to start building a 1,300 MW hydroelectric plant.

Angra II is expected to be completed six years from now, if Brazil finds the resources. Work has been virtually at a standstill since 1989, when the joint Brazil-Germany scientific and technological commission last met. The subject was discussed on that occasion and the administration outlined the financial problems it faces in completing the two power plants. Brazil also told the German government of the changes introduced by the 1988 Constitution, which sanctions peaceful use of nuclear energy.

The subject was discussed again last year, on the occasion of the renewal of the nuclear accord. Before it expired on 2 November 1990 the two countries met to renegotiate its extension. After much debate in Germany, provoked mainly by the Green Party and by the ecological movements, the Congress decided to renew the agreement for five more years. According to Rezek, it would take that long for Brazil to finish Angra II.

A German government source, a member of Chancellor Helmut Kohl's committee, told this newspaper that his country understands the problems the Brazilians are having in completing the two nuclear power plants. "The Collor administration has to reduce public spending," he said.

* Furnas Unable To Maintain Angra II, III

92SM0085B Sao Paulo GAZETA MERCANTIL
in Portuguese 29 Oct 91 p 7

[Article by Rio correspondent Cristina Borges]

[Text] Furnas Electric Power Plants, Inc., which reassumed responsibility for building Angra II and III at the end of 1988, can no longer support the two units financially. They have so far eaten up the equivalent of \$300 million from its budget, according to Furnas's coordinator-general of thermonuclear production, Sergio Guimaraes.

The federal government budget submitted to Congress lists an appropriation of \$120 million, which includes the \$50 million portion from the German partners. Guimaraes expressed his concern about obtaining the remaining \$70 million, a sum for which the Brazilian government is responsible.

Release of a larger volume of funding for resumption of work on Angra II beginning in 1992, plus the five-year deadline for its completion, will make Angra II a 21-year project. Even under those adverse conditions, Guimaraes appeared to favor continuation of the work, since the \$1.5 billion in investment that is still needed is less than what would be required to begin a new project, he said. Eletrobras's energy plan indicates that Angra II will

have to enter the system in 1996, when Brazil will have resumed its economic development.

The nuclear agreement between Brazil and Germany calls for construction of nuclear power plants, along with transfer of technology that would give Brazil the ability to do major engineering work in the nuclear power sector. Under that agreement, Furnas signed contracts in 1976 with the German firm of KWU covering construction of Angra II and III, using German equipment, services, and guarantees. In connection with that contract, KWU signed another one with Nuclen [Nuclebras Engineering, Inc.], which gave it a 25 percent share in that state enterprise and included a commitment to transfer technology. Those contracts assumed that Angra II and III would be ready in 1982 and 1983.

In October 1980, Decree-Law 1810 transferred the Furnas contracts to Nucon [Nuclebras Nuclear Plant Construction, Inc.], a subsidiary of Nuclebras [Brazilian Nuclear Corporation, Inc.] that was created to build the power plants, on which construction had already been delayed repeatedly for lack of Brazilian capital. With the abolition of Nuclebras at the end of 1988, the task of administering Angra II and III reverted to Furnas.

The INB—Brazilian Nuclear Industries, the successor to Nuclebras—is now responsible only for the nuclear fuel cycle, through its subsidiaries Uranium do Brasil S.A. and Nuclebras Isotope Enrichment S.A., or Nuclei. Production of nuclear fuel at the factory in Resende, Rio de Janeiro State is INB's only source of income. Sales amounted to \$25 million because of the recharging of Angra I, reports Roberto Esteves, an advisor to Helcio Modesto da Costa, the president of the state corporation. The net earnings of the state corporation equal half that total, after deduction of the expenses incurred in having the uranium enriched outside Brazil by the three-nation firm of Urenco, which has British, German, and Dutch capital.

The Resende factory has capacity to produce fuel corresponding to 100 tons per year of uranium, enough to supply Angra I, II, and III. It has enormous idle capacity, since Angra I consumes only 15 tons per year. "Cancellation of Angra II will make INB inviable," Esteves acknowledged. With double the power of Angra I, Angra II would enable INB to sell \$75 million per year. The state corporation has been operating in the red and receiving supplementary appropriations from the federal government budget.

* Angra II Funding Inadequate To Meet Timetable

92SM0085C Sao Paulo GAZETA MERCANTIL
in Portuguese 29 Oct 91 p 7

[Article by Rio correspondent Cesar Faccioli]

[Text] Potential confirmation by Congress of the \$50 million increase—to \$120 million—of the budget appropriation for construction of Angra II would still provide insufficient funding to enable work to proceed at the

forecast pace for completion of the plant, which is one of the most important components of the Brazil-Germany Nuclear Accord. In order for Brazil to receive \$102 million in international funding and for the deadlines in the schedule to be met, the Brazilian contribution would have to be \$182 million. Over the six-year period beginning in 1992, investments will have to total \$1.5 billion. So far, over the 16 years of the life of the accord, \$2.9 billion have been invested.

The twin power plants Angra II and Angra III, rated at 1.3 MW/h, were not completed within the deadline and are now at different stages of completion. Angra II, on which the most progress has been made, is 90 percent complete in terms of structure, and 65 percent in terms of equipment installation. Only the foundations have been built for Angra III, and only 30 percent of its equipment has been purchased.

The only nuclear power plant now functioning in Brazil is Angra I, and it has been experiencing frequent interruptions owing to operating problems and legal questions relating to its safety systems. It supplies 630 MW/h, equivalent to 20 percent of the electricity consumed by Rio de Janeiro State where it is situated, and is not part of the agreement with Germany. Its technology, now obsolete, was transferred by Westinghouse.

A product of the independent foreign policy (the "responsible pragmatism") of Azeredo da Silva and [former President] Ernesto Geisel, and of Social Democratic Chancellor Willy Brandt's North-South dialogue, the nuclear accord caused friction with the United States. The wording in its text restricting it to peaceful objectives and the clauses providing for supervision by the International Atomic Energy Agency (IAEA) did not dispel the U.S. impression that the purpose built into the control of the complete uranium cycle was the building of a simpler atomic device, such as the A-bomb. Brazil's refusal to sign the Nuclear Nonproliferation Treaty on the grounds that, in practice, it would restrict even peaceful uses, exacerbated the conflicts.

Although the responsibility for building and operating the power plants has passed from the now-extinct Nuclebras to Furnas Electric Power Plants Inc., Brazil has not abdicated control of the full uranium enrichment cycle. Created in 1988, two years prior to the expiration of the original agreement, INB—Brazilian Nuclear Industries, Inc. has subsidiaries for each of the phases in the process and usually operates well below its rated capacity, since its facilities were designed to meet the needs of a minimum of three operating plants. This is why the mining and industrial complex at Pocos de Caldas in Minas Gerais State has undertaken only the initial stages of its operations—the limit of its rated capacity of 500 tons/year of uranium concentrate, U 308, the yellow cake that Brazil was accused of supplying to Iran.

* Plan to Control Amazon Air Traffic Viewed

92SM0085D Sao Paulo GAZETA MERCANTIL
in Portuguese 30 Oct 91 p 17

[Article by Rio correspondent Jorge Freitas]

[Text] The Bureau of Electronics and Flight Protection (DEPV) of the Ministry of Aeronautics has a plan, which would cost \$400 to \$450 million, to install six long-range radar units in the Amazonia Surveillance System (Sivam) that will be used to control air traffic in the region, besides aiding in the fight against the traffic in drugs and contraband along the border. The only air traffic control facilities the Amazon region has now are in the cities of Manaus and Belem.

According to General Guido Resende Sousa, director of the DEPV, Sivam will complement the Air Space Control System (Siscea), installation of which started in 1981. Siscea has already installed five regional flight safety services and three Cindacta stations—in Curitiba, Brasilia, and Recife—with capacity to cover 17 million sq km of air space, more than double the size of Brazil's territory. That system, budgeted at \$1.7 billion, has already required investments of \$1.4 billion and needs another \$300 million if it is to be completed by the end of the Collor administration, Resende said.

"In 1976, Brazil entered the First World when it installed the Dacta system. We entered the era of positive air traffic control (in which the controller actually sees the aircraft) at the same levels as the United States and Canada," the general said. He is currently involved in installing long-range radar in Recife. Once that is done, the Northeast, which receives 18 percent of the country's air traffic, will be covered by a flight protection service that almost completely reaches Salvador, Maceio, and Recife. The aeronautics ministry is installing new radar at Porto Seguro and Bom Jesus da Lapa in Bahia State, and on the island of Fernando de Noronha.

Funds From Abroad

In order to set up the Sivam system, Brazil will need to find foreign financing, according to Resende Sousa. The task of obtaining those loans would probably be coordinated by the Secretariat of Strategic Affairs. He said that Sivam will have the participation of the Federal Police, the Ministry of the Navy, the Ministry of Health, the Secretariat of Strategic Affairs, the Secretariat of the Environment, and the Ministry of Aeronautics itself.

"We are going to control air traffic and supply data for the various regions involved," said Resende Sousa. According to him, the list of equipment needed to set up the Sivam includes aircraft and radar detectors that would cost at least \$50 million on the world market, plus transportable radar. This is the kind of equipment used by the United States in the battle against the drug traffic. The Sivam will protect the border regions in the states of Amazonas, Roraima, Acre, and Rondonia.

The flight protection system in Brazil used to be limited to the states of Rio and São Paulo and the South and was controlled using short-range radar (80 km of coverage). With the installation of the Dacta system in 1976, that coverage expanded to include the Brasília/Belo Horizonte/Rio/São Paulo corridor—a region in which half the domestic air traffic is concentrated—using long-range radar and telecommunications systems. In 1981, the Dacta system was expanded to cover the states of Mato Grosso do Sul, Paraná, Santa Catarina, and Rio Grande do Sul. That same year, four new long-range radars were installed in the Brasília/Belo Horizonte/Rio/São Paulo corridor to replace the older equipment.

Satellites in 2005

That whole system, according to Resende Sousa, will be used for Brazilian air traffic control until the year 2005. After that, air traffic control will be handled by satellite. He believes the decision to integrate the system so it could be used by both civilian and military aircraft was the right one. "We saved money and equipment by integrating two systems that in other countries are separate, one for civil aviation and the other for the military," Resende Sousa said.

TCU Says Army Ministry Bid 'Illegal'

PY2211151891 Brasília Radio Nacional da Amazonia Network in Portuguese 0900 GMT 22 Nov 91

[Text] The National Accounting Office [TCU] considers illegal the tender organized by the Army Ministry to acquire uniforms and bed and bathroom linens.

The TCU has determined that the offers made by the companies awarded the bid were excessively high.

TCU authorities now have given the Army 10 days to cancel the tender or annul the prices offered.

Chile

Aylwin Questions Military Retirement System

PY2211192691 Santiago Radio Chilena Network in Spanish 1600 GMT 22 Nov 91

[Text] President Patricio Aylwin will propose to Congress a change in the system for retiring members of the Armed Forces. This was how Aylwin commented on the Army decision not to retire Brigadier Pedro Espinoza who was indicted on the Letelier murder case.

President Aylwin reiterated his disagreement with the system by which the retirement must be made based on a proposal of the Army commander. He recalled that this was not what was agreed upon when the constitutional organic law of the Armed Forces was discussed.

[Begin Aylwin recording] And one of the reforms I will propose to Congress is that this system be changed, because I believe that this is against the rights granted by

the Constitution to the president of the Republic. This right has been a tradition in Chilean constitutional history. [end recording]

President Aylwin also reiterated the government's concern over common crimes and said that on 28 November he will probably announce several security measures. Aylwin was emphatic in saying that the common crimes taking place in the country cannot be linked to the pardons granted to the political prisoners.

[Begin Aylwin recording] Because they are different situations. The political prisoners committed crimes motivated by political reasons because they thought that was the thing to do. We did condemn those actions and I continue to believe that they were wrong because using violence to end a totalitarian regime which they in good reason believed to be oppressive cannot be justified. The people who committed crimes for those reasons are quite different from those who commit crimes to take away what does not belong to them or to disregard the life of other people. [end recording]

President Aylwin expressed confidence that the people he pardoned are reintegrating themselves into society and that they rejected the use of violence. Aylwin also said that he did not intend to offend anyone or disqualify the constitutional court when he answered the court's declaration in reply to the criticisms he made about the court's nondemocratic conformation.

Government Maintains Position on Honecker

PY2211124291 Santiago Radio Chilena Network in Spanish 1000 GMT 22 Nov 91

[Text] Edgardo Riveros, under secretary general of government, said the Chilean Government has not changed its position on the case of Erich Honecker, who may come to Chile.

Reports from Moscow indicate that there reportedly is an agreement between Russian President Boris Yeltsin and German officials to allow Honecker to come to Chile. In this regard, Riveros said that there is no change in the Chilean position that this is a bilateral issue between Bonn and Moscow. He added that if Honecker has his German passport, Chilean officials will consider the situation.

Honecker is under asylum in the Soviet Union, but the Bonn government wants his extradition to put him on trial for instigating homicide.

Study Ordered in Wake of U.S. Tourist Alert

PY2311174691 Santiago Radio Chilena Network in Spanish 1600 GMT 23 Nov 91

[Text] In the face of U.S. reports informing U.S. citizens of the dangers they are likely to confront in downtown Santiago, the Chilean Government ordered a similar study on the situation in the main U.S. ports.

Interior Minister Enrique Krauss reported that the study's objective is to assess the risk that Chileans traveling to that country will face.

[Begin recording] This report includes an evaluation, and considering that international law provides for reciprocity, I talked with the acting foreign minister and with the Chilean ambassador in the United States. I asked them for our consuls to inform us of the dangers and crime rates in the ports of access normally used by Chilean tourists, that is, Miami, New York, Washington, San Francisco, and Los Angeles. The objective of this study is to tell Chilean tourists about the precautions and security measures that they have to adopt in those U.S. cities whose crime rate is much higher than in Santiago. [end recording]

Krauss said that the U.S. report on the precautionary measures that U.S. citizens should adopt in Chile says that there is moderate danger in Santiago.

[Begin recording] The report informs about moderate danger. Actually, beyond journalistic speculation, the report says that minor crimes are committed in downtown Santiago. This is true, and we are working on it. Therefore, it is not a situation of... [changes thought] The risk is not as strong as in other cities—even Latin American cities, which live under strained warning [preceding word in English] conditions. [end recording]

Krauss said that in previous years the international community and the U.S. State Department issued much more serious warnings to people traveling to Chile.

Among the recommendations, the U.S. organization [not further identified] recommends to avoid walking on Santiago streets in the evening. Krauss emphasized that these recommendations will not affect foreign investment because—as he put it—investors do not bring their money in their pocket.

He concluded by saying that the U.S. reports on the dangers in Chilean cities contradict the information provided by Sernatur [National Tourism Service], which said that 1 million tourists are expected to visit Chile.

The minister also gave figures showing that the number of U.S. visitors to Chile has increased in the last four years.

'Most Advanced' Agreement Signed With EEC

PY2311015891 Santiago Radio Cooperativa Network in Spanish 2200 GMT 22 Nov 91

[Excerpts] Abel Matutes, EEC representative to Latin American countries, describes Chile as the best and major trade partner. Matutes, whose post is the equivalent to that of the EEC Foreign Minister, met with President Aylwin this afternoon.

Matutes met with Aylwin for the first time in Brussels during the presidential campaign. After arriving in Santiago this afternoon, he went to La Moneda Palace. He was officially invited by the Chilean Government.

[Begin Matutes recording] The EEC is currently the main investor and the main supplier of foreign capital to Chile. [end recording]

He also said that the EEC and Chile signed a cooperation agreement, which is the most advanced one ever signed with a country, because it includes scientific and technological cooperation, and the promotion of human capital. Matutes also stated that the EEC is Chile's main trade partner. [passage omitted]

He said the decision to continue strengthening relations with Chile is among EEC priorities toward Latin America. [passage omitted]

Socialist Group Disagrees With Party Leadership

PY2211181491 Santiago Radio Chilena Network in Spanish 1600 GMT 22 Nov 91

[Excerpt] A group of Socialist Party leaders headed by Deputy Mario Palestro expressed today their open disagreement with the policies implemented by the party leadership.

Central Committee member Vicente Garcia, who spoke on behalf of the group, said the Socialist Party is getting the negative influence of the renewal movements. Garcia expressed the group's opposition to the party's decision to join the Socialist International. He also reiterated the group's right to join the so-called Committee for the United Left and rejected any sanctions from the party's main leaders. Vicente Garcia reiterated on behalf of the group that Marxism is still valid. [passage omitted]

PDC Party Elects Eduardo Frei President

PY2411013291 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 23 Nov 91

[Report by Fidel Oyarce at the Christian Democratic Party, PDC, headquarters—live]

[Excerpts] We are now at the PDC headquarters where the new virtual president-elect of this party, Senator Eduardo Frei Ruiz-Tagle, is conducting a news conference.

The latest vote count released to the press shows that after 39 percent of the votes counted, Frei obtained 68 percent and his opponent, Narciso Irureta, 31 percent. [passage omitted]

It is a common practice in an electoral dispute that when one candidate concedes his opponent as the winner, it is considered that the election is over and there is a winner. This is what happened here tonight, because Irureta already came here to greet Frei as the new PDC president. [passage omitted]

Colombia

Government Says Guerrillas To Increase Activity

PA2311040291 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1730 GMT 22 Nov 91

[Text] During the 22 November morning session of the governors' meeting being held in Paipa, Defense Minister Rafael Pardo Rueda spoke to the 27 governors. The topics centered on the public order situation and disarmament. Here is a report by Orlando Gomez:

[Begin recording] [Gomez] The defense minister told the governors' summit that the national government has learned that the Simon Bolivar National Guerrilla Coordinating Board is planning to escalate its terrorist activity in December.

[Pardo] The government has information, of which you are well aware, to indicate that the guerrillas have a plan to increase terrorism. The government has pointed this out and stated that this could endanger the resumption of the Caracas peace dialogue.

[Gomez] The minister also denied that the new poppy cartel has been formed by the traditional cocaine traffickers. The minister warned the country about the impact that this crop will have on the civilian population.

[Pardo] The cultivation of poppies is characterized by the fact that it has the potential of becoming an important factor in rural violence. Peasants are involved in this cultivation. Sectors that have traditionally lived in peace with Indian communities are also involved.

[Gomez] The defense minister also clarified the government directives on the possession and carrying of weapons.

[Pardo] Mechanisms are being created so that a larger number of people who have weapons will be under the control of the authorities. In this way, collective or public security will be guaranteed through the control of weapons. That is what is intended with the government policy. [end recording]

Presidential Adviser Comments

PA2311221891 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1800 GMT 23 Nov 91

[Report by Diego Fajardo in Paipa, Boyaca—live]

[Text] On the shores of the impressive Sochagoza Lake, in Paipa, Boyaca, the first meeting of the governors elected by popular vote continues. The governors will be sworn in on 2 January.

Jesus Antonio Bejarano, presidential adviser for peace, made some important statements. Bejarano said that if the guerrillas are preparing an escalation of terrorism in the next few days, and if such an escalation affects the civilian population, the government will immediately

suspend the talks with the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] that are set to begin in Caracas in February 1992.

Adviser Bejarano said the regional talks will be approved as long as there is a cease-fire agreement.

The governors-elect issued a joint statement supporting the government and its peace policy.

Banking Member Says Economy Being 'Narcotized'

PA2311025291 Santa Fe de Bogota Inravisión
Television Cadena 2 in Spanish 0000 GMT 20 Nov 91

[Text] Carlos Ossa Escobar, a member of the Bank of the Republic's board of directors, stated on 19 November that the Colombian economy is becoming narcotized [narcotizando] and that close to \$1 billion could have entered the country illegally this year. Ossa stated this during a meeting of exporters where Rudolf Hommes, finance and public credit minister, also announced the reduction of the fiscal subsidy for exporters. Here is a report by Adriana La Rotta:

[Begin recording] [La Rotta] According to Ossa, Colombia is becoming not only a judicial haven for drug traffickers, but an economic one as well.

[Ossa] This is like a haven for them. What happens is that there is no extradition for drug traffickers here. They have five-star prisons. In the United States the authorities go after their bank accounts, so it is logical that as, quote, businessmen, unquote, they want to bring the money to a safe place.

[La Rotta] For Ossa, up to \$1 billion could have entered the country illegally, thus augmenting liquidity at an alarming rate. This has resulted in strong measures against the export sector. New Foreign Trade Minister Juan Manuel Santos addressed the exporters' growing protests during his first meeting with the group on 19 November:

[Santos] You can well see that the Foreign Trade Ministry—despite the fact that it does not yet have a building or personnel—is already working to help exporters and Colombia's productive sector.

[La Rotta] Santos had just finished promising to do everything necessary to solve the audience's needs when Finance Minister Rudolf Hommes announced a reduction in the tax subsidy that this sector enjoys.

[Hommes] I have come here to announce that the fiscal constraints expected in 1992 will require a reduction in the Tax Credit Certificate. This reduction will be greater than the reduction originally foreseen as a result of the drop in the revenue from the surcharge on the CIF [cost, insurance, and freight] value of imports.

[La Rotta] Hommes also denied that the dollars resulting from drug trafficking are flooding the country's economy. During this very busy special congress,

exporters had no other alternative but to accept the carrot-and-stick strategy that the government likes so much. [end recording]

Former President Denies Aiding Medellin Cartel

PA2311012291 Santa Fe de Bogota Inravisión
Television Cadena 2 in Spanish 0000 GMT 22 Nov 91

[Report by Adrian Larota]

[Text] In a communique issued this afternoon, the Narino Palace strongly rejects charges made by drug trafficker Carlos Lehder at the trial of Panamanian General Manuel Antonio Noriega being held in Miami, Florida. He charges that former President Alfonso Lopez Michelsen politically protected the Medellin Cartel and even received money from the cartel for the 1982 presidential campaign. Former President Michelsen does not need to be defended, the communique notes, adding: his trajectory in the national life, at the service of Colombia's best interests, and those of all Latin America, earned him a place of privilege and honor in the history of the country and the Continent.

In its two-page communique, the government highlights Michelsen's role in drafting the treaties that will turn the Panama Canal over to Panama. The former president, in turn, reacted with outrage at the drug trafficker's charges and called them slanderous remarks made by a criminal to save his skin. Michelsen, who is coincidentally on vacation in Miami, refuted every charge and criticized U.S. justice for promoting this sort of statement. Lehder continued his testimony, during which he confessed earning approximately 40 million from drug trafficking. He still has \$8 million of that money in properties and cash in the hands of relatives living in Colombia. The drug trafficker is testifying against Noriega in exchange for favorable treatment from U.S. justice. Speaking flawless English, and often making cynical remarks, Lehder stated he is no longer at war with the United States. The Noriega trial was recessed until 25 November.

Army Official Says FARC's Days 'Numbered'

PA2411214091 Santa Fe de Bogota Emisoras Caracol
Network in Spanish 1200 GMT 24 Nov 91

[Text] Major General Edie Alberto Pallares Cotes, commander of Colombia's 4th Army Division, said that the days of the Revolutionary Armed Forces of Colombia [FARC] are numbered.

The high-ranking officer, who in 1992 will become under secretary to Defense Minister Rafael Pardo Rueda, analyzed the rebel situation in the country and pointed out that the FARC is out of control and deeply divided.

FARC leaders are roaming the world in search of weapons merchants and narcotics traffickers to save them from failure, he added. At this moment, I would

say the FARC is not the solid organization it claims to be, Maj. Gen. Pallares concluded.

Ecuador

Borja Asks U.S. Ambassador 'To Stop Meddling'

PA2311024991 Mexico City NOTIMEX in Spanish
2138 GMT 22 Nov 91

[Text] Quito, 22 Nov (NOTIMEX)—Ecuadoran President Rodrigo Borja Cevallos said in Quito on 22 November that the U.S. ambassador to Ecuador does not have the right to meddle in matters that solely concern Ecuadorians.

U.S. Ambassador Paul Lambert criticized on the night of 21 November various aspects of the national economy. As a result, the president asked him to stop meddling in domestic affairs that fall outside his purview.

"The Ecuadoran ambassador to the United States has not taken and would not take the liberty of giving the U.S. Government lessons on how to reduce its fiscal deficit or how to resolve its economic recession," Borja added.

He also said the Ecuadoran ambassador has not told the White House how to pay the U.S. foreign debt. "He has not interfered in U.S. domestic policy and therefore, we demand reciprocity," the president said during a news conference.

The U.S. ambassador stated in a meeting with Guayaquil businessmen on the night of 21 November that foreign investors do not want to invest in a bureaucratic country with serious corruption problems.

Lambert questioned the Ecuadoran Government's economic policy, which prevents the entry of foreign capital. He also said the delay in the privatization of government enterprises harms the country's development.

Paraguay

Czechoslovak Mission Arrives To Discuss Trade

PY2211024891 Asuncion ABC COLOR in Spanish
21 Nov 91 p 12

[Quotation marks as published]

[Text] A Czechoslovak Government mission made up of Stansilav Matocha, trade director for Latin America [name and title as published] of the Foreign Trade Ministry, and Julius Grancak, a diplomat posted to the Czechoslovak Embassy in Uruguay, arrived in our country on 20 November.

The objective of their visit is to continue the talks begun in March 1991 by a Paraguayan mission regarding the signing of a trade agreement between the two countries.

Trade between the two countries has a minimum volume that does not reach \$1 million annually.

According to the document, the government will presumably promote trade, and the creation of a consultation mechanism between the two foreign ministries is also foreseen in order to maintain a constant exchange of information.

Oscar Cabello, under secretary for general affairs of the Foreign Ministry, stated that the products that Paraguay and Czechoslovakia intend to trade have not yet been defined. "What we do know is that they have a very great need for basic foodstuffs and raw materials for their industries.

Cabello added that there is a lot of interest in taking advantage of the experience of the Czechoslovaks in industrial reconversion, because they have been carrying out this task since they dropped communism. Privatization is also going full speed ahead in Czechoslovakia, where at least one state enterprise per day is sold on the international market, he added.

The official also said that there are several obstacles in trading with East European countries. One of them pertains to the problem of a lack of liquidity and the problems that those countries have in complying with payments, making them resort to international intermediaries. And for this reason we will discuss the possibilities of direct trade with the Czechoslovaks.

He added that the principle of most favored nation will be applied with Czechoslovakia, in other words, mutual preferential treatment in the matter of trade.

Finally, the under secretary said that a system of compensated trade could be implemented between the two countries that would consist of an exchange of products, a kind of "barter," but more sophisticated.

Commission To Be Established

PY2211180091 Asuncion HOY in Spanish 22 Nov 91
p 19

[Excerpt] The meeting of Paraguayan and Czechoslovak representatives ended yesterday. During the meeting, it was decided that a joint commission will be established to promote bilateral trade. On this occasion, Stanislav Matecha, the director of the Czechoslovak Trade Department for Latin America, and Paraguayan Foreign Ministry under secretaries reviewed the trade agreement that will be signed soon.

Moreover, Paraguayan and Czechoslovak representatives studied three other agreements aimed at avoiding problems in the promotion of trade.

They will study an agreement for eliminating visas in order to expedite the travel of people from one country to the other.

In addition, they signed a technical and scientific cooperation agreement and another agreement to prevent

double taxation in view of the possibility of establishing joint ventures so that they may pay taxes only in one of the two countries.

During the meeting, Paraguayan and Czechoslovak representatives also discussed the possibility of counter trade through the opening of credit lines in the two countries. [passage omitted]

World Bank Aid Totaling \$190 Million Confirmed

PY2211123291 Asuncion ABC COLOR in Spanish
21 Nov 91 p 4

[Excerpts] Upon concluding his visit to our country, Shahid Husain, the World Bank vice president for Latin America, said yesterday that the World Bank hopes that the Paraguayan Government will solve its foreign debt problem with foreign commercial banks and governments. Solving the problem would expedite negotiations to implement new World Bank disbursements for Paraguay.

Husain said: "We are not directly involved in this issue, but we always take into account the situation of the country in which we work and we are interested in the solution, the arrangement, of that (the foreign debt). It will be important to restore the financial community's confidence in this country's economic policy."

Property Registry

Husain confirmed the existence of a \$190 million package that is being negotiated with Paraguay. Of this package, \$3 million already was secured on 19 November through the signing of agreements between the Paraguayan finance minister and Husain. The \$3 million will be earmarked for the improvement of the Banking Superintendency and for the training of Finance Ministry officials for the administration of the Value Added Tax (VAT).

The second portion of the package will reportedly come before June 1992 to update the national property registry. This project will require about \$40 million. [passage omitted]

Other fields of cooperation that continue advancing at their own pace are: industrial reconversion; educational reform; the framework law for the privatization of public enterprises; all-encompassing agrarian reform programs (including roads and other infrastructure projects for new peasant settlements); fresh water for 150 towns; and environmental conservation.

Husain noted that the World Bank's assistance for the industrial sector will be channeled through the International Finance Corporation (IFC), a World Bank division that works exclusively with the private sector. As soon as the problem of the overdue payments to the Paris Club and private banks is solved, the IFC will be in Paraguay to begin the initial reconversion work in preparation for the Mercosur [Common Market of the South]. [passage omitted]

Military Court To Judge Ousted Commander's Case*PY2211165491 Asuncion NOTICIAS in Spanish
22 Nov 91 p 14*

[Text] It was learned yesterday from military sources that the case of former Air Force Commander Dionisio Cabello Amarilla, retired, reportedly will be handled by a military court in the next few days. Since his removal from his post for "disobeying" orders from the commander in chief and his arrest, Cabello remains under arrest at the presidential guard unit but he is not being held incommunicado.

Reportedly a military court will be responsible for studying the military regulations Cabello violated when he refused to comply with orders from the commander in chief. President Rodriguez had ordered that Cabello be removed from his post as Air Force commander and replaced by General Jose Cespedes Zarza.

Military sources said that the case will be handled by the Armed Forces Supreme Court that is headed by Rear Admiral Andres Ramon Legal Basualdo.

When asked about Cabello's situation, some military court members gave evasive answers. They said that the case can be only studied after the commander in chief's office submits the proper report.

Cabello remains arrested at the presidential guard unit on Mariscal Lopez and General Santos Avenues. He is not being held incommunicado. It was reported that he meets with relatives and friends.

Other spokesmen said that Cabello will be released in the next few days or weeks because his retired status does not impede the military court from carrying out any investigations. This is because Cabello violated the regulations while fulfilling his duties as Air Force commander.

Within this context, it must be noted what President Rodriguez told journalists about Gen. Cabello's situation. Rodriguez said that Cabello committed an act of "disobedience" and that there was no "insubordination" that would have been much more serious.

It must be added that after heading the "Mariscal Francisco Solano Lopez" Military School graduation ceremony in Capiata yesterday, General Rodriguez conducted his normal activities at Government House.

But unlike he usually does, the president was dressed in his commander in chief's uniform throughout the day. He met with foreign businessmen and some ministers dressed in military uniform.

Peru**U.S. Antidrug-Trafficking Aid 'Insufficient'***PY2311005291 Lima LA REPUBLICA in Spanish
15 Nov 91 p 10*

[Excerpt] Senate President Felipe Osterling Parodi on 14 November harshly criticized the deficient U.S. economic cooperation granted to Peru for the fight against drug trafficking, one of the scourges that affects the Peruvian socioeconomic situation.

Citing statistics, Osterling said: "It is not possible that a developed country like the United States, which claims to have the largest number of drug consumers, has allocated only \$40 million in aid while drug trafficking involves nearly \$79 million per year." He said this at the inauguration of the national forum sponsored by the Senate Permanent Special Commission on Drug Trafficking.

The forum was attended by more than 800 people, including politicians, peasants, coca growers, physicians, sociologists, and university students.

After welcoming the lecturers and the public who gathered at the Sheraton Hotel, Osterling said that comparing with the U.S. aid, the sale of coca leaf yields some \$96 million to coca growers.

Osterling said: "As you can see, the aid is insufficient."

He immediately asked for an increase in this aid which is especially designed to implement the coca crop replacement program. This is one of the alternatives in this struggle against the criminal organizations which engage in this business on a large scale.

He said: "It is not possible to guarantee a policy aimed at destroying or repressing coca production because it does not yield positive results, considering that it can lead peasants to terrorism." [passage omitted]

Region To Remain Under State of Emergency*PA2511032191 Madrid EFE in Spanish 0144 GMT
25 Nov 91*

[Excerpt] Lima, 24 Nov (EFE)—On 24 November, the Peruvian Government extended the state of emergency for 60 more days in a jungle region comprising three departments "to facilitate counterinsurgency operations."

The measure was established in the eastern part of the country, in Ucayali Department; Puerto Inca Province, Huanuco Department; and Ucayali Province, Loreto Department.

Terrorist groups and drug-trafficking gangs are active in this region. Authorities report that terrorists and drug traffickers operate in complicity with one another.

The government decision is included in a decree published in the official newspaper EL PERUANO on 24 November. According to the decree, personal rights are also suspended

in the area and the Armed Forces are in charge of keeping internal control and order. [passage omitted]

'Political War' Places Government in Check

PA2311013091 Madrid EFE in Spanish 1827 GMT
22 Nov 91

[Text] Lima, 22 Nov (EFE)—A virtual nondeclared "political war" by the political opposition has placed in check the third Council of Ministers of Peruvian President Alberto Fujimori, who is facing the possibility of having two of his ministers censured at the Congress.

The opposition, headed by the former ruling party, the American Popular Revolutionary Alliance (APRA), this week called for the censure of Defense Minister General Victor Malca and Agriculture Minister Enrique Rosal. The opposition also gathered 57 signatures to summon Economy Minister Carlos Bolona to the Chamber of Deputies for questioning.

The opposition's offensive against the Council of Ministers began only 15 days ago. It was interpreted as a reaction to an "avalanche" of more than 100 laws decreed this month by the executive branch by virtue of legislative powers granted by the Congress.

The "Aprista" and communist opposition claims that the government "outdid itself" in legislating on issues where it lacks authority, especially regarding a number of laws on national security and the antisubversive struggle.

The strong and nearly unanimous opposition to the "national mobilization" and "protection" of intelligence secrets, among others, seems to have created the appropriate atmosphere for the proposals of the radical opposition to be unexpectedly welcomed at Congress.

The first law allows for the "mobilization" and relocation of Peruvian citizens or foreign residents to any part of Peru even against their will. The "secrets" law imposes jail terms on those who disseminate information considered to be secret by intelligence services.

Amid this political storm, the Chamber of Deputies on 19 November interpellated Minister Rosal at the request of the United Left Communist alliance, which accused him of "his inability to revive the agricultural sector." Following the interpellation on 20 November, it was announced that 117 parliamentarians signed a motion to censure Rosal, but a vote will be taken on 25 November.

On the evening of 21 November the Senate approved by a large majority a motion filed by communist Senator Javier Diez Canseco asking the Chamber of Deputies to censure Defense Minister Victor Malca for maintaining a polemic military chief, who has been accused of telephone espionage, as special military attaché to Argentina.

However, the tension could grow in the relations between the executive branch and the Congress in the next few days when the Chamber of Deputies approves,

as expected, an emergency agricultural bill calling for a set of subsidies, protectionist tariffs, and tax exemptions that the government had repealed.

Minister Bolona said this week at the Senate that the project "jeopardizes the future of the economic program," but failed in his attempt to prevent [as received] it from being replaced by another one reached "by consensus" by the two branches of state.

It is taken for granted that President Fujimori will voice reservations about the project once the Congress forwards it to him for promulgation into law. This could be met by strong reaction from the chambers of Congress.

Economy Minister Outlines Reorganization Process

PY2311112291 Lima EXPRESO in Spanish
17 Nov 91 p A3

[Text] Economy Minister Carlos Bolona Behr said on 16 November that Peru is going through a new stage of reorganization and modernization. Consequently, exoneration, state paternalism, and salary indexations should be set aside within this context. He said: "These policies that have been implemented for 25 years have proven to be inefficient."

He said: "We have to rule out the ethics. I am a pragmatic person who tries to find ideas that can work. One seeks efficiency in the world and it can be obtained through the market."

Bolona strongly defended the privatization projects and reform programs. He said that many of them have been successfully implemented in European countries that seek to change their economies.

Speaking on the 16 November "Focusing" program broadcast by Radioprogramas del Peru, Bolona categorically expressed the need to end palliatives or deceitful measures like the ones implemented by the former regime, which, with hyperinflation showed the worst insensibility.

He said the government, through the promulgation of decrees, seeks to implement a series of reforms designed to end a collapsed, unwieldy, and poorly efficient state.

He said the legal framework to attract foreign private investment has been set up, adding that it offers administrative, tax, and security stability. He said: "We have to increase the average \$20 million investment reached in 1990 to several hundred million dollars, as is happening in Malaysia, where foreign investments stand at up to \$11 billion."

Bolona also referred to the decree on the merger of the development banks, a fact that will channel through a single institution the loans granted to small farmers who have no access to commercial banks, especially to those from very critical zones.

Commenting on matters related to his field, Bolona reported that the government will allocate \$13 million during the remainder of 1991 to prevent a new cholera outbreak. This is part of the funds for the Social Emergency Program, whose resources will stand at \$300 million in 1992. This amount will be earmarked to implement sanitary projects and build schools and soup kitchens, among other things.

Concerning the payment of Christmas bonuses to public servants, he stated that it will be paid if funds are available in the Treasury. He said that because this commitment entails the disbursement of 70 million soles it might be paid in two installments.

Ashaninkas Indians To Fight Shining Path

*PY2211210091 Lima LA REPUBLICA in Spanish
13 Nov 91 pp 13-15*

[Report by Monica Vecco]

[Excerpts] Under death threats, Ashaninkas tribe members of Tambo valley have been forced to abandon their communities and join subversive forces.

The peasants self-defense patrols captured a large number of Ashaninkas during attacks on the anti-Shining Path stronghold of Poyeni. After difficult tests—because, according to a local leader, an Ashaninka who kills his fellow tribe members is very dangerous—the captured Ashaninkas were given the possibility of rejoining their community and fighting the guerrillas. Among the hundreds of “deserters,” or “repented Shining Path members,” are many children, many of whom do not even know the name of the Peruvian president. [passage omitted]

The Ashaninkas are among the largest and most extended ethnic groups in the Peruvian jungle. They live in an area that comprises the Apurimac; Mantaro; Ene; Pangoa; Tambo; Perene; Pichis; Pachitea; and Upper Ucayali river valleys. They also live in the Gran Pajonal plateau, in Pasco.

According to the latest statistics, there are some 50,000 Ashaninkas living in various valleys in the jungle, in some cases without any communication between each other.

There is not just one Ashaninka group, but several of them, according to the region in which they live. [passage omitted]

Each Ashaninka area has its own dynamics. Some of them are marked by the presence of the Shining Path or the MRTA [Tupac Amaru Revolutionary Movement]. Both armed movements operate simultaneously in some Ashaninka areas.

Some communities have the support of the Army, like in Esmeralda valley and Mision de Cutivereni, while the Marines are in other areas, like Atalaya.

Each community has undertaken its own defense, following the specific features of each area and the orientation given by the organization that it has joined.

There are two major organizations gathering the Ashaninkas: The Inter-Ethnic Association for Development of the Peruvian Jungle, Aidesep [Asociacion Interetnica de Desarrollo de la Selva Peruana], and the Confederation of Peruvian Amazon Nationalities, Conap [Confederacion de Nacionalidades Amazonicas del Peru]. Both organizations have mutual discrepancies, and they charge each other with overlapping their work.

According to military sources, subversive violence has forced almost 25,000 Ashaninkas to abandon the areas where they live and go to other places, in an effort to survive.

It is estimated that Shining Path forces are holding some 2,500 Ashaninkas in the Ene river valley. Approximately 1,000 Ashaninkas have been recovered from Shining Path hands.

Hundreds of Ashaninkas have escaped from Shining Path bases in the Tambo River Valley, while it is estimated that some 800 are still being held by the terrorists.

In Puerto Ocopa, on the Perene river, only 150 of the 500 Ashaninkas who lived in the area could be rescued.

Beyond the disagreements between the two indigenous peoples' organizations, there is a project for creation of an Ashaninka Army of 12,000 indians and 1,000 settlers, entering the Ene and Tambo valleys and rescuing those who are still being held captive.

To this end, the Ashaninkas have asked for arms, but they have not yet received an official response.

Executive Branch Approves 25 Legislative Decrees

*PY211173091 Lima EL COMERCIO in Spanish
13 Nov 91 p A1*

[Excerpts] [passage omitted] A large package of laws was published in EL PERUANO, the official gazette, yesterday. Among them is a law to provide incentives for employment, which helps the street vendors enter the formal productive sector and lists the reasons for which a worker may be dismissed, among other issues.

A total of 25 legislative decrees were published. Among them is the decree establishing “automatic secondary education” [bachillerato automatico]—which President Alberto Fujimori announced last Friday, 15—and another decree authorizing members of the Armed Forces and National Police to enter university premises in order to restore internal order.

The executive branch, under the special powers granted by Congress, also approved a law to provide incentives for private investments in the construction field, which it declares a national priority issue.

The National Mobilization Law was issued concerning the pacification policy. This law guarantees the participation of Peruvians residing in the country and abroad, and of foreigners residing in Peru in emergency situations that may pose a threat to national security. [passage omitted]

In order to contribute to development and social peace within the country, a law related to the National Defense System authorizes the peasant defense patrols and other self-defense committees operating in state of emergency zones to acquire 12mm caliber weapons to prevent the infiltration of terrorists and drug traffickers.

The legislative decrees in this regard state that the self-defense committees, in coordination with the respective military units, may select youths eligible for military service to serve within those committees for a one-year term. At the end of this term, they will be regarded as having served their compulsory military service.

Moreover, according to the plan to eradicate drug trafficking and terrorism from the country, the government has modified the functions performed by the officers of the Armed Forces through Legislative Decree No. 752, the "law on the military situation of officers of the Army, Navy, and Air Forces."

Also in this package of laws disclosed yesterday is the law on guidelines for the comprehensive strategy for alternative development to eradicate the illegal trafficking of drugs with the participation of the people. [passage omitted]

On Police Directorate

PY2211132891 Lima EL COMERCIO in Spanish
14 Nov 91 p A10

[Text] The Peruvian National Police [PNP] will have a new organizational structure. Therefore, the directorates of three institutions have become ineffective and a single General Directorate will be established as the PNP's top command body.

This measure was implemented through Legislative Decree No. 744, arguing that the current structure did not allow an appropriate integration of PNP components and produced a bureaucratic organization that is disjointed and inappropriate for the fulfillment of its mission in society, especially concerning pacification and national defense.

The new legislative decree, published yesterday in the official gazette EL PERUANO, restructures part of the "Basic Law on Police Forces," regulated by Legislative Decree No. 371, concerning the organization of the current PNP. It was indicated that it was necessary to establish a new organizational structure in order to conduct an effective PNP reorganization.

The decree establishes that the PNP will have a command body—the General Directorate. The PNP also will have consultative bodies (a superior council, consultative commission, and economic council), an advisory

body (general staff), and control bodies (general inspector's office and institutional moralization and discipline office).

The PNP also will have support bodies (intelligence, personnel, economic, logistics, welfare, technical support, and health directorates); a training body (training directorate); executive bodies (counterterrorism, anti-drug, fiscal property, criminal investigation, and police regions directorates); and other executive-operational-provincial bodies.

Concerning the General Directorate—a command body, it was noted that the post of general director will be held by a lieutenant general on active duty who will be appointed by the president of the Republic in his capacity as supreme PNP chief. In the past, the director general was chosen by the interior minister.

It also was indicated, as provisional measures, that PNP training centers will plan their officer training programs to the new conditions under which they must act as a consequence of terrorism and drug trafficking, "and to become qualified individuals in preserving national security and championing human rights, and in development tasks."

The decree establishes that within 60 days the PNP will restructure its rules and regulations, manuals, and directives, conforming them to this provision, and that the rules and regulations on the reorganization of the police organization will be approved within 90 days.

Compulsory Military Service Expanded

A Law on the Police Situation of the Peruvian National Police Personnel also was promulgated. This law "defines and guarantees rights and duties in keeping with category, hierarchy, rank, and employment."

Several articles of the Compulsory Military Service Law were amended through another legislative decree, establishing, for example, that the law's objective is that all Peruvians of draft age will be capable of participating in the national defense and that those of service age will carry out civic action activities for mobilization and civil defense.

It was established that the Defense Ministry will be in charge of classifying the population for enrollment in the various Armed Forces institutes. In the past, each Armed Forces institute was in charge of this task.

It also was established that the selected candidates not drafted for active duty through the appropriate draw will remain available and will discharge their military service in activities involving civic action, civil defense, peasant defense patrols, and literacy programs. If they are unable to carry out these tasks, the selected candidates not drafted for active duty will make a onetime payment.

Active-duty service will be discharged in a period of not less than 12 months and not more than 18 months (previously, the limit was 24 months), and it will be

considered that Peruvians of service age who voluntarily join peasant defense patrols for 18 months have discharged active duty service.

The decree defines compulsory military service offenders, establishing fines that, in certain cases, involve an offender's 30- to 90-day average income.

It was indicated that personnel who study at a high-level education center and are drafted for active-duty service will be entitled to reservation of their vacancy or registration provided they request a registration renewal within 60 days of discharge.

The government also has declared a onetime amnesty until 30 July 1992 for all Peruvians, including the 1990 class, who have failed to comply with the conscription call, after the payment of 50 percent of the basic minimum wage.

Penal Code Expanded

*PY2111235691 Lima LA REPUBLICA in Spanish
13 Nov 91 Local Section p 5*

[Text] The government has added two new articles to the Penal Code. They increase prison sentences to be served by people found guilty of drug trafficking and money laundering. They also extend the period of enforcement of the new Penal Code until 1 May 1994, particularly in the case of terrorism and drug trafficking crimes.

Regarding increased sentences, the articles point out that the government has decided to modify the Penal Code, because the provisions currently being enforced to repress illicit drug trafficking have not succeeded in preventing this sort of crime.

The new articles establish that people involved in investing, selling, pawning, transferring, or possessing money or assets obtained through illicit drug trafficking will be sentenced to a minimum of five and no more than 10 years in prison.

People involved in the laundering of money obtained from illicit drug trafficking or narcoterrorism, no matter the method the banking system uses to do it, will be sentenced to a minimum of six and no more than 12 years of incarceration. The sentences will be doubled if it is proven that the person also is involved in terrorist activities.

The articles also establish that for these crimes, there will be no bank or fiscal secrecy.

To enable the government to comply with the terms of the Constitution, especially with regard to terrorism and illicit drug-trafficking crimes, the period for the enforcement of the new Penal Code has been extended until 1 May 1994.

The period for the enforcement of Articles 2, 135, 136, 145, and 182 to 188—which go into effect today—will not be extended until 1 May 1994.

The articles also establish the creation of a high-level commission to coordinate the implementation of these provisions, and create organizations to train its members and make feasible the full implementation of Legislative Decree 638, the Code of Penal Procedures.

This commission will be presided over by the attorney general and comprised of a supreme criminal court prosecutor; an appellate criminal court prosecutor; a provincial criminal court prosecutor; and one representative each from the judicial branch; the Justice Ministry; and the Economy and Finance Ministry.

Through another legislative decree, which modifies Article 404 of the Penal Code, the government establishes that whoever prevents a suspect from being prosecuted, or from serving a sentence or any other punishment handed down by the courts, will be sentenced to at least two and no more than four years in jail.

If the person who does so is a public employee or the official in charge of investigating the crime or under whose custody the criminal is, the prison sentence will be at least 10 and no more than 15 years.

On Military Weapon Possession

*PY2211235091 Lima LA REPUBLICA in Spanish
15 Nov 91 p 25*

[Quotation marks as published]

[Excerpt] Persons who are found in possession of, carry, keep, or use a weapon—no matter the type of weapon or munitions—that are intended for the Armed Forces or the National Police will be punished with sentences ranging from eight to 15 years in prison.

This is established in legislative Decree No. 761, which points out, among other things, "the proven existence of a criminal alliance between drug traffickers and terrorist groups. "This alliance consists of the handing over of money and weapons to the latter in exchange for the protection that is given by the drug traffickers."

"Homicidal terrorism, through its assaults on isolated military posts and ambushes against the forces of order, in addition to the provoking of death and destruction, seizes weapons that can only be in the possession of and used by the Armed Forces and the National Police," the decree states. [passage omitted]

Causes for Dismissing Workers

*PY2211230291 Lima EL COMERCIO in Spanish
13 Nov 91 p A11*

[Text] According to the Employment Promotion Law, the intentional damage to buildings, installations, facilities, machinery, instruments, documents, raw materials, or other company assets and equipment in its possession is considered a serious offense and cause for dismissal.

This rule was approved by legislative Decree No. 728 and was published yesterday in the official newspaper

EL PERUANO. The decree establishes rules for the training of workers, labor contracts, and employment promotion, among other things.

The law says that companies whose workers are ruled by private company regulations will be able to train young people, or provide pre-professional education, through special agreements with workers.

The law says that the probation period will last three months, after which workers attain job stability. When an additional probation period is necessary, a written statement stating this will be filled, but the total probation period will not last longer than six months if the subjects are qualified workers, and one year if the subjects are at the managerial level, or if they perform trust positions.

Legal Causes for Dismissal

The law mentions that in the private area managers must cite just cause affecting the ability or behavior of an employee who works for the same manager four or more hours before dismissing him. The law adds that the cause must be duly mentioned and appropriately proven.

The following are deemed legal causes for dismissal: a serious fault, sentencing for crimes, and the worker's disability.

Serious faults are: breach of the employer's trust by failing to comply with assigned duties, frequent disrespect of orders related to the job, frequent and inopportune suspension of activities, and failure to comply with the company labor rules.

It also is a serious fault to deliberately and repeatedly reduce the amount or level of production, or to steal—or try to steal—the employer's assets or services that are under one's responsibility.

Also in the list of faults are: to use or convey to others confidential information reserved for the employer, to steal or use without authorization company documents, to engage in unfair competition, or to frequently go to work drunk or drugged.

Other serious faults are: acts of violence; serious indiscipline; disrespect; oral or written offense against the employer, his representatives, staff higher in the chain of command, or other workers; absence from work for more than three consecutive days; more than five unjustified absences in 30 calendar days, or more than 15 unjustified absences in a period of 180 days.

Opportunities for Unlicensed Companies

The Employment Promotion Law authorizes the Labor Ministry to coordinate with the production ministries on ways to stimulate the creation of special programs aimed at supporting the reorganization of the productive processes of the companies that have been operating in the urban unregulated economy.

This law also stimulates the establishment of partnerships for the workers who may want to organize their own companies, because this is a way of creating new jobs.

On Private Investment

*PY2211222291 Lima EL COMERCIO in Spanish
14 Nov 91 p A9*

[Excerpts] Through legislative decree No. 758, published in EL PERUANO yesterday, the government established measures designed to promote private investment in infrastructure and/or public service projects, through concession contracts or other forms of contracts awarded through public bidding or contests open to national and foreign enterprises.

Concessions may be granted by the central government, regional governments, or municipalities, according to each case, for the construction, repair, maintenance, and exploitation of public service works.

The decree explains that the concession of a project implies the exploitation of the service, although "the concession of public assets does grant a real right over said assets."

"In these cases, however, the concession contract will be enough for the concessionaire to exercise the rights the mentioned contract grants him before third parties, especially to collect fees, prices, tolls, or other means to recover the investments made." [passage omitted]

It is also established that concessions will be granted for the period of time established in the resolution granting the concessions and which, under no circumstances will be more than 60 years.

As a complementary measure, the government has stated that the agreement will be signed with those enterprises whose activities are directly related to the field to be exploited.

Industrial, Duty-Free Zones

*PY2211164491 Lima EL COMERCIO in Spanish
14 Nov 91 p A9*

[Text] The creation of duty-free industrial and tourist zones, special commercial zones, and special development zones was declared a national interest for the purpose of promoting investment, employment, and the export area, thus creating the socioeconomic conditions that will promote pacification.

This decision was made through Decree No. 704, which was published in EL PERUANO on 13 November. The decree regulates the powers and organization of Conafrán [National Commission for Free Trade Zones; Special Commercial Zones and Special Development Zones], which is the national commission that will be in charge of the aforementioned zones and will operate as a multisectorial organization.

The law states that private residences and retail businesses will be banned from the duty-free industrial and tourist zones, except for the restaurants, cafeterias, and supplementary support services rendered to the people and corporations operating in such zones.

The law establishes that Conafron and the National Customs Superintendency will jointly design simplified procedures for control of incoming and outgoing goods and for the rendering of services in duty-free industrial and tourist zones, the special commercial zones, and the special development zones.

The National Directorate of National Assets of the Ministry of Housing and Construction will grant—on a priority basis—the fiscal land that the boards and supervisory and management committees of the aforementioned zones may need for their operation.

The law establishes a four-year deadline for beginning the operations of the industrial duty-free zones and special commercial zones created under the terms of this law. If operations do not begin before the deadline's expiration, authorization for creation of the respective zones will expire.

Stock Market Regulation

PY2211162891 Lima EXPRESO in Spanish
14 Nov 91 p A16

[Text] A new stock market law has been issued as Decree No. 753. The law regulates the stock market, which previously operated on a set of disconnected norms. A major feature of the new law is that stock markets have been practically privatized, because in the future they will no longer have directors designated by the executive branch.

The law also sets the rules for the operation of the primary market—issuance and sale of securities to the public—and of the secondary market—security transactions. The law also regulates the operation of stock market networks [rueda de bolsa] and operations outside the stock market.

Brokers

The law states that brokers may operate as brokerage or intermediary corporations, which will deal with stock market and nonstock market security transactions. Moreover, brokerage corporations—in addition to other powers—may sell securities that were issued in foreign countries, and may grant or receive credit for purchasing securities or performing their specific duties.

Mutual Fund Corporations

The law also creates mutual fund corporations, which will manage funds owned by corporations or individuals. The creation of this type of corporation will facilitate access to the security market, and will give investors—especially small investors—the possibility of diversifying their investment.

These corporations will be created with Conasev [National Supervisory Commission for Enterprises and Securities] authorization; will have a minimum capital of 500,000 sols; and their capital may not be lower than 2 percent of the assets under their control.

Risk Evaluation Enterprises

The law states that all entities that issue securities for public sale will contract at least two risk evaluation enterprises, which will make a permanent classification of such securities. This classification will be based—among other factors—on the solvency and financial performance of the issuing entity and on the liquidity of the securities [liquidez del valor]. In addition, Conasev may designate a delegate to check compliance with the law.

Guarantee Fund

The law sets forth that all stock markets will have a fund that will return investments—in securities or cash—in case of operations that registered some sort of irregularity. This fund will be financed by brokerage corporations, which will deliver a monthly contribution proportional to their daily transactions.

State Development Banks' Merger

PY2211163191 Lima EL COMERCIO in Spanish
13 Nov 91 p B11

[Text] Decree No. 754, which was published yesterday, approved the merger of state development banks through the absorption mechanism.

The new bank, which will be known as the National Development Bank [BFN], will incorporate the Agrarian Bank. The Industrial, Mining, and Housing Banks will transfer their assets to the Agrarian Bank.

As of this date, the capital shares of the Industrial, Mining, and Housing Banks will be transferred to the Agrarian Bank.

The decree will take effect 30 days after its publication. Fifteen days after the enforcement of this decree, the directors of the banks that were absorbed will issue a report on the banks' economic, financial, and social status, which will be requested for the merger.

The Housing Ministry will manage FONAVI [National Housing Fund]

The Ministry of Housing and Construction will manage FONAVI.

The National Development Bank will operate as a state company [empresa de estado de derecho privado].

The current Agrarian Bank board of directors will end its duties on the date of enforcement of this decree.

The BFN board will be made up of seven members, two of whom will be designated by the Central Reserve Bank.

The BFN may not receive deposits from the public and will lend money only to owners of small farms or enterprises in zones hit by depression and/or in zones of emergency not serviced by commercial banks.

The only financial sources for the BFN will be foreign credit lines, donations, and budget allocations.

The bank may not issue bonds or securities; it may not resort to Central Reserve Bank credits; it may not own company shares; and it may not receive deposits from the public.

Administrative Rationalization Program

The BFN board of directors will be responsible for designing a personnel and administrative rationalization program for efficient use of its resources. The bank has been authorized to sell its nonproductive assets at public auction, and to declare that the unnecessary personnel in the new organization are excessive. Those personnel will end their duties upon notification of the corresponding decision.

Alternative Development Institute

PY2111203491 Lima EL COMERCIO in Spanish
13 Nov 91 p A11

[Text] The government has created the Alternative Development Institute [Instituto de Desarrollo Alternativo—Idea]. Its objective will be to conduct an overall strategy to eradicate illicit drug trafficking with the assistance of all Peruvians. The Idea will be in charge of proposing, negotiating, and signing agreements with coca-growing peasants for the replacement of coca plantations.

The creation of Idea was approved by Legislative Decree 753, published in yesterday's issue of the official daily EL PERUANO. The decree states that it is indispensable for establishing solid and stable relations between the government and the coca-growing peasants, who are prepared to discuss alternative development.

The decree contemplates the identification, recognition, and registration of the coca growers and of their organizations, always respecting the characteristics spontaneously adopted by their members. It also contemplates registration of the peasants' lands and the issuance of titles without disrespecting the peasants' concepts of land ownership.

The decree points out that the replacement agreements the government may sign with the farmers—be they individuals or corporations—and the contracts for investment, production, and financing that the farmers may sign with third parties will contain all the guarantees the Peruvian laws grant to Peruvian and foreign investors.

Uruguay

Central Bank Vice President De Haedo Resigns

PY2211010091 Montevideo Radio Carve in Spanish
2300 GMT 21 Nov 91

[Report by Lino Oviedo at Government House]

[Text] This afternoon, economist Javier de Haedo resigned his position as vice president of the Central Bank. He tendered his resignation to President Luis Alberto Lacalle shortly after Lacalle asked him to leave the position in view of Haedo's criticism of industrialists' policies and the economic policies implemented by the government. This criticism allegedly upset President Lacalle.

In the last few hours, the Presidency released a communique stating: This afternoon, the president of the Republic asked economist Javier de Haedo to resign his position as vice president of the Central Bank.

Government House, 21 November 1991.

This communique was released by the Presidential Secretariat of Press and Dissemination.

Shortly after the communique was released, it was reported that President Lacalle met with economist Luis Eduardo Mayo, a Cerro Largo deputy, and offered him the Central Bank vice presidency. After the five-minute meeting with Lacalle, Mayo went to the Central Bank to meet its president, Dr. Ramon Diaz.

Next week, the executive branch will request the Senate to approve economist Luis Eduardo Mayo's appointment as Central Bank vice president.

Mayo was finance under secretary under late Finance Minister [name indistinct] Ortiz, many years ago.

Haedo was installed as Central Bank vice president a few weeks ago to end the government economic team crisis resulting from Agustin de Urtebey's resignation.

Economy Minister on Current State of Economy

PY2311002691 Montevideo Radio Carve in Spanish
2300 GMT 22 Nov 91

[Report by Emibel Suarez Silvera from Piriapolis]

[Excerpt] Economy and Finance Minister Enrique Braga made a series of important announcements in the city of Piriapolis this afternoon. The minister called in the national press to refer to the reduction of tariffs that will go into effect on 1 January 1992, to the economic opening, inflation, economic growth, salaries, and the events that led to the resignation of the former vice president of the Uruguayan Central Bank, economist Javier de Haedo.

Regarding the reduction of tariffs, the minister stated that the current 30, 20, and 15 percent levels will be

reduced to 24, 17, and 10 percent as of 1992, while as of 1 January 1993 they will be reduced to 20, 15, and [figure indistinct] percent. This reduction of tariffs that has been announced by Minister Braga comes within the framework of the Asuncion Treaty that creates the Common Market of the South.

The minister spoke about the economic opening and about inflation, which will be reduced by 50 percent when compared with 1990.

When speaking about economic growth and an increase in the GDP, he announced that investment agreements have been signed through a foreign debt swap amounting to \$47 million, and other documents were signed amounting to \$17 million.

Braga said that there are favorable signs regarding the economic growth that has been announced.

Regarding the resignation of Javier de Haedo, vice president of the Central Bank, the minister stressed that De Haedo's remarks to the press were not very pleasant. [passage omitted]

MRO Reiterates Call For Armed Struggle

PY2311234091 Montevideo BUSQUEDA in Spanish
21 Nov 91 p 10

[Excerpts] The Uruguayan Revolutionary Movement (MRO), a member of the Broad Front and the Popular Participation Movement coalition, once again reiterated its support for the armed struggle and for the "Guevara plan" during the recent participation of its delegates in the "Meeting of the Latin American Left" in Buenos Aires.

The MRO publication LOS ORIENTALES in its 27th edition published the position of the movement's delegates, Mario Rossi Garretano (political secretary) and Walter Artoia (organization secretary), to the meeting of 26 and 27 September. The meeting gathered delegates from various countries at the invitation of the Communist Party of Argentina in an effort to seek an "answer of the Latin American left to the new world situation."

The MRO leaders said: "We see no other way out than the one we proposed in 1966 and 1967, when the OLAS [Latin American Solidarity Organization] established a revolutionary armed struggle strategy for Latin America."

They recalled that when the representatives of the Communist Party of Uruguay, Rodney Arismendi, and of the Communist Party of Chile, Claudio Corvalan, "asked to be the exceptions to a violent struggle," the MRO said that "Uruguay cannot be an exception due to the misery that the unemployment of the majority created by the economic and social crisis." [passage omitted]

Several representatives of the Broad Front, the congressional bloc, and Broad Front President Liber Seregni himself condemned Rossi's statement, but no sanctions were adopted.

The MRO, founded in 1961, was declared illegal in 1967. It became an armed group under the name Uruguayan Revolutionary Armed Forces (FARO). In 1971 it returned to legal activities and joined the Broad Front.

Venezuela

Congress Condemns Student, Riot Police Clashes

PA2411203991 Caracas Venezolana de Television
Network in Spanish 1550 GMT 22 Nov 91

[Excerpt] The 21 November National Congress session was focused on the unfortunate acts of violence during which several policemen and civilians lost their lives.

This situation has united senators and deputies of all sectors. Leaving politics and disputes aside, they decided to condemn the violent acts that only produced chaos.

Gustavo Tarre Briceno of the Social Christian Party [COPEI] and Lolita Anillar of the Movement for Socialism [MAS] each presented the measure in their respective legislative chambers. All of the legislators immediately gave their support to the measure condemning the violence and the students' deaths.

[Begin recording] [Gustavo Tarre Briceno] The Chamber Of Deputies expresses its concern and deplores the excess of violence. It urges the parties to reestablish an atmosphere of dialogue so the democratic process is not lost and so the often justified demands of the demonstrators can be heard. We encourage the Permanent Commission on Internal Policy to investigate the events and present a report on the incident within a short period of time. We have also asked the commission to approve the report on the draft bill on political parties, public gatherings, and demonstrations. The draft bill includes new provisions to regulate street protests, which is an important factor in preventing violence from occurring again.

[MAS Deputy Freddy Munoz] We have sent telegrams to the Democratic Action Party secretary general and COPEI inviting them to hold multi-partisan meetings that will allow us to establish a useful dialogue, first between the parties and later with the president of the Republic. Thus we will be able to face the problem, which is not just any problem, but an extraordinary problem. It has become a problem of the government. Everyone knows that if the problem continues, it can make this very delicate situation much worse. [passage omitted] [end recording]

*** Cisneros Critical of U.S. Trade Barriers**

92SM0098B Caracas EL UNIVERSAL in Spanish
(Section 2) 30 Oct 91 p 1

[Text] The United States must resolve the serious problem of the restrictions and trade barriers which it has recently raised against Venezuelan exports, which have been applied to a substantial extent and which affect bilateral trade. This subject was raised on 29 October at the headquarters of the Organization of American States by Imelda Cisneros de Perez, minister of development, who spoke at a seminar on "The Bush Initiative for the Americas."

The proliferation of these protectionist tendencies in the United States affecting Venezuela is taking place at a contradictory period of time, in the sense that, at the initiative of the North American Government and other, multilateral organisms, a process of economic liberalization and very rapid elimination of tariff duties is taking place in Venezuela. The minister said that this conflict between what is being said and what is being done is not making a good impression on the Venezuelan public at a time when the point is being made that protectionism is not the most appropriate policy to follow.

Cisneros said at the OAS: "The impression is that the protection of the interests of some economic groups is in contrast to the profound liberalization of trade in our area."

She applauded the objective of the Bush Initiative, since it is based on the triple goal of stimulating trade and investments and partially resolving the problem of the public debt. And she pointed out that the initiative serves the economic and strategic needs of the United States. Latin America can benefit from this proposal, since an association is being proposed between the two sides, which implies a dialogue, consultations, and negotiations.

Producing for Export

The minister of development stated that Venezuelan interest in the Bush Initiative is directed toward encouraging investment to manufacture products destined for export. She said that it is not possible—that is, to increase trade—if the barriers to trade are not lifted.

She stated: "Trade cannot be increased if there is no flow of investments, since investments create trade, and not the reverse. The liberalization of trade, by itself, does not guarantee the success of the policy of opening up the economy."

The minister emphasized a few figures which provide evidence of the importance of the Bush Initiative for Latin America in the trade field. In 1989 out of total U.S. exports of \$364 billion, \$49 billion were destined to Latin America. In the reverse direction U.S. imports from Latin America amounted to \$60 billion out of total imports of \$492 billion (amounting to 12 percent). In 1990 55 percent of Latin American exports were of

manufactured products, which is evidence of a major advance in its industrial structure. Although this is true, in its own way it could be an element which worsens trade conflicts.

Cisneros said at the OAS: "For Venezuela a free trade agreement must be aimed at the total elimination of customs duties and other obstacles affecting the substance of reciprocal trade."

She also pointed out that negotiations on free trade must consider matters such as relative reciprocity—depending on the level of development of the countries. And, secondly, such discussions must cover aspects of particular interest in multilateral negotiations such as the Uruguay Round of GATT.

Protectionism

Through the application of nontariff measures North American trade is hiding a strong spirit of protectionism which covers up the inefficiency of some North American industries.

She gave as an example the evolution of customs duties in Venezuela which in 1989 were at an average level of 37 percent. This level declined to 10 percent in 1990. The highest agricultural tariff duty is below 30 percent. There are 2,500 restrictions at 50 levels in a customs tariff in which there are no subgroupings or effective, negative protective measures.

The minister of development said: "However, a high percentage of Venezuelan exports to the United States are subject to some kind of restriction, and we must resolve that problem."

Finally, she urged the North American Government to give clearer signals on its policy on tariffs, nontariff barriers, standards of origin, the agricultural sector, safeguards, subsidies, dumping, and other measures affecting the trade in services, in addition to a way of handling trade controversies.

FAV Commander on U.S. Radar Installation

PA2211181191 Caracas EL NACIONAL in Spanish
13 Nov 91 p D-4

[By Wilfer Pulgarin]

[Text] The Venezuelan Air Force [FAV] has presented the Defense Ministry with two basic conditions for handling a U.S. Government request to install radar systems on national territory to detect aircraft involved in drug trafficking. The conditions are that Venezuelan technicians be allowed to participate in the operations and that the transmission signals be received simultaneously by Venezuelan and U.S. specialists.

Aviation General Commander Eutimio Fuguet Borrages believes that once these prerequisites, which he says are supported by Defense Minister Fernando Ochoa

Antich, are satisfied, there will be no obstacle to Venezuelan, Colombian, Panamanian, and Peruvian participation in this sophisticated antidrug system designed by the United States.

Fuguet pointed out that this involves an essentially political decision that is outside the bounds of the FAV; thus it is the chief of state who must define the situation. Fuguet added, however, that this does not prohibit him from voicing his concern that national air technicians could be brushed aside or that Venezuela could be relegated to a secondary position regarding the transmissions.

"Those are basically the points in question, and we assume that they will be acceptable to the United States because they are matters of necessity and simple courtesy," the officer said.

The aviation general commander commented on this and other issues at a news conference in the Ayacucho Room of the Generalissimo Francisco de Miranda Air Base (in La Carlota), which was called to announce the activities to commemorate the FAV's 71st anniversary.

* COPEI Leader Warns of Social Unrest

92SM0098C Caracas *EL UNIVERSAL* in Spanish
(Section 1) 29 Oct 91 p 14

[Article by Avilio Trujillo]

[Text] The present situation is threatening to precipitate unexpected developments in Venezuela.

Economic recovery will not take place until the private sector achieves the conditions for revitalizing its investments.

Abdon Vivas Teran attributes to the effects of the economic policy followed since the beginning of his term of office by President Perez the critical situation which can be seen in the country. This policy has generated some outbreaks of violence. His view is that, "The 'economic package' is causing very severe social unrest which may precipitate unsuspected developments in Venezuela."

This political figure, a member of the National Directorate of COPEI [Social Christian Party], is convinced that the country is going through a delicate situation, particularly in the social area, which justifies emergency action by the government. He thinks that, "Perhaps the most worrisome aspect of the present situation in the country is the very accentuated, social deterioration which is taking place at all levels, to which must be added the tremendous and dramatic crisis of values."

He said: "The government's economic policy has been turned into a pragmatic mechanism. The government is seeking only personal gain or the satisfaction of unlimited ambitions. All of this is precipitating a vicious circle in the country which only a great, collective, and noble effort can break. One of the most dramatic consequences of the package of overall adjustments which President

Perez has undertaken has to do, specifically, with the level of social activity in the nation. People do not know, either because this is convenient for them or because they do not wish to remember, that the package of measures for the reestablishment of macroeconomic balances is based on the idea of reducing the level of aggregate demand and, consequently, precipitating a severe recession and a social crisis in the country."

Vivas Teran referred to the fact that, "The Perez government began with the idea of accepting such a social cost. Many of us Venezuelans, including myself, among other people, criticized this view, bitterly and from the point of view of our collective wealth. I have always held that the package of economic measures was mistaken from the beginning because it was based on the idea that it was necessary to lower the living standards of the Venezuelan people in order to carry out the necessary adjustments."

He added: "This was a regressive and reactionary concept of economic policy. It was aimed at bringing about a generalized recession to reestablish equilibrium at the economic level of the productive activity of the nation. We Venezuelans from different groups and activities rejected this concept. Before concentrating on the field of economic action as such, we began with the idea that the medicine which Venezuela needed was a reasonable expansion of the economy, more effective public spending, and a more active role for the private sector. However, we never accepted the idea of subjecting the economy, in a premeditated way, to a process of recession. The results are evident, and I refer to the social outcome: a growing and accelerated deterioration in living conditions, a frightful and expanding process of marginalizing the people throughout the length and breadth of the country, and an extreme, critical level of poverty. To this may be added, as if it were of little concern, the high rate of unemployment and inflation."

"I have been reflecting on the response which the Perez government has made to this situation. The fact that the economy is going to grow at a certain rate has been presented as if it were a major achievement of economic management. There are those who say that the growth rate will be eight percent in 1991. When we examine which are the sectors which drive this process of growth, then the truth about the distortion of our economic process comes out. That 8 percent growth rate is concentrated in the sectors of petroleum, public investment, the construction industry, and large scale projects. However, the intermediate sectors—including small- and medium-sized industry and even large-scale industry—show very weak, and in some cases insignificant or even negative growth."

'There Is Social Tension'

Vivas Teran is convinced that in view of the existing situation, "The Perez economic package is presently causing very severe social tension which threatens to precipitate unsuspected developments in Venezuela."

He thinks that it is necessary to make a major effort to halt social deterioration successfully.

In developing this theme he emphasized: "The Perez package got off to a bad start from the moment when it was born. To my way of thinking it has been a 'birth of something like a mountain,' an abortion, which has produced monstrous development of the economy. For example, I was concerned that at the very beginning mention was made of the social policy of compensation, and all political and party groups in the country expressed their satisfaction over this. I said that what was being proposed was not a policy of compensation but a policy of social advance, or reorganizing the living conditions of the ordinary Venezuelan. The compensation plan, which is what we are following now, could not be rejected once the government arbitrarily and senselessly reduced to absurdly low levels the living standards of the Venezuelan people. That package is not going to solve problems. Rather, it is going to create habits, practices, and customs highly prejudicial to the economy."

He continued: "I believe that the best social policy is to have a good economic policy which produces jobs, work, and wealth. The economic measures of the Perez government have created poverty. The most important defect of this package is that it is based on the concept that market forces are going to reestablish the pace of economic activity and that private investment is going to regain the historical and traditional rhythm which Venezuela had demonstrated."

Finally, Vivas Teran underlined the fact that Venezuelan private investment continues to have its doubts, due to unclear rules of the game and levels of profit which, at most, are more attractive in other countries than in Venezuela. He emphasized that, "Until the private sector achieves the required conditions for it to be able to revitalize its investments, the recovery of the economy, concerning which the government has been playing and deceiving the country for so long a time, will not take place."

* Canache Mata Declares Presidential Candidacy

92SM0096A Caracas EL NACIONAL in Spanish
(Section D) 26 Oct 91 p 1

[Article by Rafael Nunez]

[Text] Carlos Canache Mata has officially declared his aspiration to be the presidential candidate of his party, Democratic Action [AD] because, in his view, "the government is the fundamental instrument for making it possible to achieve the changes required by the country."

He also remarked: "I offer my integrity and honor, which no one has ever doubted; and I am certain that, during this period of corruption that Venezuela is undergoing, they will be a highly significant asset throughout the coming election campaign."

He made this statement at a press conference during which he presented his document, "A Decision To Serve," as a starting point to open his campaign and "seek votes in the country," as he was advised by Gonzalo Barrios.

Mata Canache claimed specifically that he had announced this decision to the lifelong president before the meeting with the press. He promptly added: "When Barrios demanded that I be in Venezuela, because this is where the votes are, what he was advising me was that my candidacy will win if I seek them here in the national territory, and not abroad."

First, he declared that, according to the party's current bylaws, from now on AD's leading standard-bearer will be chosen in the party's rank and file elections.

"It is evident to the country and the party that I have always treated the matter of AD's presidential candidacy very seriously and with great deliberation. I have reiterated that it was too early now, in 1991, to be bringing up this issue, considering the fact that the national elections will be held in 1993. Furthermore, I noted that the last amendment of the Organic Law on Suffrage, approved by the Congress of the Republic, stipulated a shorter period of time for the duration of those campaigns."

Nevertheless, he observed that, inasmuch as other fellow party members of his have already voiced the same aspiration for the candidacy as well, he had no recourse other than to make such an announcement too.

In a brief document entitled "A Decision To Serve," he cites the failures of Venezuelan democracy 33 years after the fall of the last dictatorship, "without thereby disregarding the achievements that it has also made."

In that document Canache Mata states that democracy has failed in the distribution of welfare and in attaining greater citizen participation in the country's major decisions. It has also failed to preserve and maintain public morality.

Consequently, he explained, poverty has increased in the country. He claimed that, according to the most credible statistics, there is in the country a critical poverty of 43.5 percent, and a general poverty of 60 percent.

"It grieves me to see that even the president of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] himself admitted that, during the past three years, the rich have become richer, and the poor, even poorer."

As for public morality, he commented: "It is a well known fact that there has been an outbreak of corruption in the country. The hallmark of this era in which we are living would appear to be corruption."

He added that we have apparently been living in a country from which morality has been banished. In the document, he stressed that democracy must be prevented from yielding to its own failure.

"What will your method for rising in the polls be?"

"I am pleased that, in the polls and in privileged places, comrades are appearing who have already stated their categorical decision to become AD's presidential candidate. I am announcing this decision of mine now. In any event, however, it will be the future period, during this year and a half before the formal opening of the campaign, that will reveal the tastes and preferences of AD members and all Venezuelan voters on this very serious issue."

"In your campaign, will you propose another economic policy plan different from that of the Perez government?"

"AD has supported the general guidelines of the policies that the government has been carrying out. We have made critical comments on some of their features. I myself have made comments on the monetary policies that have led to a greater concentration of capital in the hands of a few while, on the other hand, this increase in poverty has been occurring. However, I repeat, we are not an opposition party, but rather a government party. For this reason, with the exceptions mentioned, we have always offered our support to the government of Venezuela, which is a government of AD and of all Venezuelans."

"Would you be willing to submit to Claudio Fermin's proposal that whoever comes out ahead in the polls should be AD's presidential candidate?"

"The polls are, in fact, important instruments used by parties in election campaigns. Of course, besides the polls there are other means whereby the political organizations and presidential candidates form a clear consciousness of the tendencies that are active among the electorate."

He added to his response the comment that, "For reasons of political propriety I won't say at this time that polls must sometimes be viewed cautiously, because they could be the object of a certain amount of manipulation."

Canache Mata claimed that, for the present, he is not concerned about the polls, because he is just now introducing his candidacy formally.

* Commission Demands Foreign Aid Report

92SM0098A Caracas *EL DIARIO DE CARACAS*
in Spanish 31 Oct 91 p 26

[Article by Elba Romero Lopez]

[Text] After hearing testimony from Jose Vicente Rangel, a journalist, the Defense Commission of Congress decided on 30 October to send an official letter to Luis

Enrique Oberto, the president of the Chamber of Deputies, requesting him to ask President Perez for a complete report on the type of military assistance and help of all kinds which the government has been providing to the countries of the area.

The decision was made after the committee heard the statement of reporter Jose Vicente Rangel on the provision of military equipment by the Presidency to the Government of Guyana.

The information provided by Rangel brought out the inconsistency between the foreign policy of being a "good neighbor," directed first toward resolving the problems of other countries, including those with which we have border disputes, and denying the armed forces the resources needed to strengthen our borders.

At the same time, within the framework of this incomprehensible policy, a portion of the loans extended by multilateral financial organizations has been diverted to resolve the internal economic crisis which affects, in particular, groups suffering from a critical degree of poverty. The proceeds of these loans have been recycled through the extension of "soft" loans for social assistance—including medicine and housing—public works involving infrastructure projects, and military assistance to other countries of the area.

Uncontrolled Assistance

Jose Vicente Rangel proposed, and the committee agreed that it is necessary, that legislation be passed as soon as possible to fill the existing vacuum on the matter of grants. In this sense the danger of leaving exclusively in the hands of the president decisions on the amount and type of this kind of aid was pointed out.

Consequently, it was agreed to appoint a committee composed of persons from different backgrounds to be charged with drafting legislation to place this kind of assistance on a rational basis, taking especially into account the fact that during the past two years the government has given its neighbors 150 billion bolivares in "soft" loans, discounts on petroleum sales, the financing of housing construction, and medical assistance, among other kinds of aid.

In addition to supplying six tons of military equipment (quartermaster supplies) to Guyana, Venezuelan assistance has been composed of:

- Antiriot equipment provided to Trinidad.
- Munitions and communications equipment to El Salvador, Guatemala, and other countries of the Caribbean area.
- Five thousand housing units in Guyana being built by INAVI [National Housing Institute].
- A hydroelectric plant on the Rio Bobo in Guatemala.
- A bridge on the Rio Tampisqui in Costa Rica.
- Provision of police advisers, which takes human and financial resources away from Venezuela at a time

when a solution to the serious problem of insecurity is not in sight.

- * Financial assistance for housing plans in several countries.

To the above should be added the cost of transportation of equipment to the various countries and the visits to Venezuela of chiefs of state who frequently come to this country.

In view of this situation outlined by Rangel the committee agreed that the territorial claim to Guyana "is not to be taken seriously." Donald Ramirez said that, "Our soldiers should feel offended at this kind of assistance when the state of the defenses of our borders is known to everyone."

In this respect mention was made of the difficulties which the FAN [National Armed Forces] face in the frontier areas in combating the narcotics traffic and other crimes, due to shortages of logistical support and resources from which it suffers. For example, it was recalled that on many occasions in Amazonas Federal Territory operations could not be carried out, due to mechanical failures in obsolete equipment which, moreover, cannot be maintained due to a lack of resources.

Therefore, the committee plans to extend its investigation of foreign assistance. For this purpose a subcommittee headed by Juvencio Pulgar has been appointed.

* AD President Explains Electoral Procedures

92SM0096B Caracas *EL UNIVERSAL* in Spanish
(Section 1) 30 Oct 91 p 16

[Article by Alirio Bolivar]

[Text] Fundamental leaders are forgetting that, next year, the party has a commitment to the elections of governors, mayors, and council members; and have not hesitated to reveal their aspirations for the presidency of the republic.

Thus far, Canache Mata, Claudio Fermin, and Luis Pinerua have publicly formalized their ambitions. However, it is known that David Morales Bello, Carlos Canache Mata, Armando Sanchez Bueno, Octavio Lepage, Pedro Paris Montesinos, Humberto Celli, and Luis Alfaro Ucero are waiting for the opportunity to join the list.

Humberto Celli told reporters that AD [Democratic Action] will use scientific methods to select its candidates for council members and governors.

Democratic Action will definitely not hold rank and file elections to choose its candidates for governors, mayors, and council members, because of the bitter experience that this party had in 1989, when it lost nine governorships and many mayors' offices.

Although the decision not to consult the rank and file again has not been approved by the National Executive

Committee [CEN] nor by other party leadership bodies, this is the prevailing view among the majority of leaders. It will be imposed next year when the National Steering Committee is convoked, and will analyze this and other matters.

The idea was made public by AD's president Doctor Humberto Celli. He claimed that the party could not be subjected to another trauma which, among other negative experiences, prompted the so-called "betrayal vote," when many resentful AD members voted for the candidates offered by other political parties. Furthermore, there were shady deals whereby the competing organizations shared council and mayoral positions. The most obvious example was that in the Sucre Autonomous Municipality, where Enrique Mendoza was elected mayor thanks to a maneuver of this type.

The AD candidates will be selected by an "inner circle," which will use scientific methods, such as polls and other evidence making it possible to gauge the leaders' popularity and qualities for holding those posts. The "inner circle" may also decide on independent candidacies, or make alliances with other parties: something that AD has not done up until now. Selection by the rank and file precludes making this type of arrangement, because after the party has chosen a candidate it is virtually impossible to make a deal or an alliance.

When the reporter asked Celli whether this decision represented retrogression, he answered negatively, claiming that the selection by the rank and file was due to circumstances that have now been eliminated. Moreover, no other party imitated the AD method. He gave as an example COPEI [Social Christian Party], which selected its candidates through the National Committee. At present, a kind of regional assembly is being held to solve these problems. After having caused a stir, promising to hold rank and file elections, they opted for a different course of action.

Celli claimed that AD has not yet begun talking with other political parties nor with independent figures about alliances with a view toward 1992. However, it will do so, and will not reject contacts with COPEI, Radical Cause, and other organizations. It will all depend on the feasibility, and the advantages that this would represent for the white party.

Another point of concern to the AD National Directorate is the untimely launching of presidential precandidates. It is obvious that many leaders are more concerned about what will happen in 1993, and have forgotten that next year the party must meet the challenge of elections for governors, mayors, and council members.

To date, aspirations for candidacies have been voiced by Doctors Carlos Canache Mata and Claudio Fermin, and Mr. Luis Pinerua Ordaz. However, it is known that Octavio Lepage, David Morales Bello, Armando Sanchez Bueno, and Pedro Paris Montesinos have not

ruled out the idea of being the government party standard-bearers in 1993. Nevertheless, these four leaders have made no statements to that effect, although they are operating in that direction. To be added to the list are Humberto Celli himself, Luis Alfaro Uceró, and those who will submit their names "in case the party should need them for a ticket based on an agreement."

Celli told the reporter that a means must be sought to prevent the 1993 campaign from being moved ahead to 1991. He will propose in the CEN that minimal rules of conduct be established, because no benefit is being given to the party with these untimely launchings.

The proliferation of AD precandidates will depend on what happens on the COPEI front because, if Caldera insists on running on a ticket outside the party in 1993, Eduardo Fernández's chances will be reduced to virtually nil. That would cause many white party leaders to feel that they have chances of winning in the presidential contest.

Next week Celli will make a proposal to the CEN, requesting the designation of a committee to establish the rules that the precandidates must follow, so as not to continue the outbreak observed thus far.